



Daily Report

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Daily Report

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General

Reportage on U.S. Secretary of State CIS Tour

Discusses Nuclear Cuts in Russia

*OW1802174092 Beijing XINHUA in English
1554 GMT 18 Feb 92*

[Text] Moscow, February 18 (XINHUA)—Russian Foreign Minister Andrey Kozyrev held talks here today with his U.S. counterpart James Baker on implementing the resolutions to reduce the numbers of strategic nuclear weapons.

Speaking at a joint press conference after the two-hour meeting, Kozyrev said the political issues had been resolved but the technical problems were yet to be settled, ITAR-TASS news agency reported.

The agency quoted Kozyrev as saying the reductions proposed by each side were "quite near." He is expected to meet Baker again in early March to prepare the documents for the Russia-U.S. summit due this summer.

ITAR-TASS said Russian President Boris Yeltsin discussed mutual nuclear reductions with Baker Monday but they failed to reach any agreements.

Visits 'Secret' Nuclear City

*OW1502163392 Beijing XINHUA in English
1554 GMT 15 Feb 92*

[Text] Moscow, February 15 (XINHUA)—Visiting United States Secretary of State James Baker Friday urged Former Soviet nuclear experts to use their skills for the development of the economy, and not to be lured by work in other countries.

James Baker, who is on a nine-day tour of the former Soviet Union, became the first top foreign official to visit the secret industrial city in Russia, code named Chelyabinsk-70, on Friday.

He made the remark when speaking in the city to dozens of nuclear design and research experts on their peacetime role and a possible nuclear experts brain drain from the former Soviet Union.

The United States and its allies fear that an estimated 2,000 to 3,000 Russian nuclear scientists, who are suffering a drop in their living standards, might be wooed by other countries who promise them high salaries.

Chelyabinsk-70, invisible on maps, was a secret nuclear weapons production center of the former Soviet Union. The first Soviet hydrogen bomb, which exploded in March 1955, was designed and manufactured in the city.

The city has been closed and secret to outsiders.

After his visit to Chelyabinsk-70, Baker went to Tashkent this morning for a three-day visit to Uzbekistan.

Sets Conditions for Uzbekistan Ties

*OW1602190592 Beijing XINHUA in English
1728 GMT 16 Feb 92*

[Text] Moscow, February 16 (XINHUA)—U.S. Secretary of State James Baker urged Uzbekistan in Tashkent today to carry out democratic reforms and abide by international norms on human rights before Washington establishes diplomatic ties with Uzbekistan.

The United States would agree to establish diplomatic ties with Uzbekistan only when this former Soviet republic proves that it is ready to carry out democratic reforms and abide by international norms on human rights, Baker said.

The secretary of state made the U.S. position clear at a joint press conference with Uzbek President Islam Karimov.

Baker, who arrived in the Uzbek capital of Tashkent last Saturday, said that the purpose of his current trip was to discuss the political situation in Uzbekistan and explore the possibility of establishing diplomatic relations.

Baker discussed these matters with Uzbek President Karimov earlier in the day.

In response to Baker's remarks, Karimov stressed that his country "is truly undertaking democratic reforms."

Tashkent is the last leg of Baker's tour to six nations of the Commonwealth of Independent States (CIS), which started last Monday.

The U.S. secretary of state will arrive in Moscow this evening to continue his discussions with Russian leaders on the issue of nuclear disarmament.

Meets Sigua on Georgian Situation

*OW1802174192 Beijing XINHUA in English
1602 GMT 18 Feb 92*

[Text] Moscow, February 18 (XINHUA)—U.S. Secretary of State James Baker made clear here today that his meeting with Georgian acting Prime Minister Tengiz Sigua did not signify U.S. recognition of the present Georgian leadership, ITAR-TASS reports.

He said Georgia was the only former Soviet republic that top U.S. officials had not visited.

The United States recognized the independence of the Georgian people, and his meeting with Sigua was designed to inform them that the United States had no intention of discriminating against them, Baker said.

During their talks on the situation in Georgia, Sigua briefed Baker on preparations for the forthcoming parliamentary elections in Georgia. They also discussed the prospects for relations between their countries.

Before his talks with Sigua, Baker and Russian Foreign Minister Andrey Kozyrev discussed the coordination of

steps to implement the agreements to reduce the number of strategic offensive weapons.

Baker is the first top U.S. official to visit the interim Georgian government since it took over power recently. He will leave here today.

'Roundup' Stresses U.S. Interests

OW1702085692 Beijing XINHUA in English
0834 GMT 17 Feb 92

[“Roundup” by Wan Chengcui: “Baker Tours CIS Members for U.S. Interests”]

[Text] Moscow, February 16 (XINHUA)—U.S. Secretary of State James Baker visited six former Soviet republics last week, which highlighted the United States' concern over its relations with the Commonwealth of Independent States (CIS).

The visit, Baker's second to the CIS within two months' time, was reportedly aimed at seeking and securing U.S. interests and promoting U.S. values after the collapse of the Soviet Union.

During the tour, Baker visited Moldova, Armenia, Azerbaijan, Turkmenistan, Tajikistan and Uzbekistan.

Baker said that the disintegration of the Soviet Union offered the United States a chance in a century to enhance its interests and values.

Sticking to these ideas, in his talks with leaders of the six countries, Baker did his utmost to make them accept U.S. conditions for the establishment of diplomatic ties and development of relations.

The conditions for each former Soviet republic were different, but mainly focusing on human rights criteria. For instance, rejoicing over Moldova's agreement to carry out “democratic reforms” in the state, Baker immediately favored Moldova's membership in the United Nations and accepted its President Mircea Ion Snegur's request of visiting the United States.

In Tashkent, Baker made it clear that only when Uzbekistan shows its readiness to follow a policy of democratic reform and the international criteria in human rights, would his country agree to forge diplomatic ties with it.

In Armenia and Azerbaijan, Baker sized up the impact of the conflicts between them on the stability of Caucasia and the CIS as a whole.

Baker made his first trip to the CIS immediately after the CIS emerged early this year, worrying that nuclear proliferation would threaten U.S. interests. That trip had covered Russia, Ukraine, Belarus Kazakhstan and Kyrgyzstan, which were considered to be carrying out democratic reforms.

At present, the situation in the CIS is still changing radically, which may make it necessary for the U.S.

secretary of state to make a trip to other members of the CIS for an on-the-spot investigation.

Moldovan President Leaves for U.S., Canada

OW1702032192 Beijing XINHUA in English
0244 GMT 17 Feb 92

[Text] Moscow, February 16 (XINHUA)—Moldovan President Mircea Snegur left Kishinev, Moldova, today for the United States and Canada to attend a ceremony admitting Moldova as a member of the United Nations.

In an interview with ITAR-TASS before his departure, Snegur said that the main purpose of the trip was to speed up the process of the development of diplomatic relations with the United States and Canada and promote bilateral cooperation in economy and other fields.

U.S. Secretary of State James Baker had talks with Snegur on the development of diplomatic relations between the U.S. and Moldova during his visit to Moldova on February 10 and 11.

United States Refuses To Recognize Slovenia

OW1902095892 Beijing XINHUA in English
0847 GMT 19 Feb 92

[Text] Washington, February 18 (XINHUA)—The United States refused today to extend diplomatic recognition and trade privileges to Slovenia, which claimed independence from Yugoslavia.

A statement of the State Department, issued after Deputy Secretary of State Lawrence Eagleburger met with Foreign Minister of Slovenia Dimitrij Rupel, said that Rupel was told that “diplomatic recognition and trade sanctions remain under review”—a polite way of saying “no.”

Eagleburger encouraged Slovenia to “continue to play a positive role in efforts to achieve a political settlement to the Yugoslav crisis.”

The United States withdrew its trade privileges from Yugoslavia last November in an attempt to help end the fighting there.

Germany and other European Community member countries as well as Canada have recognized Slovenia's independence. The European Community has extended trade privileges to Slovenia.

Rupel told Eagleburger that Slovenia wished to assist the peace process and would remain actively engaged in efforts to achieve an overall political settlement, the statement said.

Eagleburger in return told Rupel that the United States would not support any outcome of the Yugoslav crisis based on territorial changes achieved through force or intimidation, it said.

U.N. Secretary General Butrus Butrus Ghali has proposed for a peacekeeping force to be stationed in Yugoslavia until a political settlement is reached.

Eagleburger is scheduled to meet President Alija Izetbegovic of Bosnia-Herzegovina, a republic that remains royal to the Yugoslav central Government, on Wednesday.

Journal Analyzes Development of Korean-U.S. Ties

HK1802075192 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 92 p 29

[Special Dispatch from New York by Liu Qizhong (0491 0366 0022): "New Developments Emerge in Korean-U.S. Relations"]

[Text] On 22 January, the Democratic People's Republic of Korea and the United States held high-ranking talks in New York—the highest level talks between the two countries since the end of the Korean War.

Kim Yong-sun, secretary of the Korean Workers' Party, and Arnold Kanter, U.S. deputy secretary of state, participated in the talks on behalf of Korea and the United States. The talks were held in a good atmosphere, and both parties were satisfied with the outcome. At the end of the morning session, Kanter specifically invited all members of the Korean delegation to lunch. This gesture was well-meant and also indirectly reflected the good intentions of both sides to continuously develop their relations.

On the following day, the permanent mission of the Democratic People's Republic of Korea to the United Nations issued a communique on the outcome of the talks, indicating they "were satisfactorily held in a frank and constructive atmosphere." U.S. Chief Representative Kanter also thought that the talks were held in a "frank and sincere" atmosphere and "yielded beneficial results." He said: "We exchanged views and obtained a better understanding of one another's position."

Both sides are cautious when mentioning the contents of the talks and have revealed little to the public so far. According to the Korean side, "the parties exchanged views on the issue of nuclear weapons, Korean-U.S. relations, and other issues of common concern." Kanter said: "The talks focused on our concern with North Korea's nuclear plan, what they can do to relieve us from our worries, and also on the possibilities for improving bilateral relations." Kanter also indicated that this talk was worthwhile and that both sides would maintain mutual contacts in Beijing, where Korea and the United States have so far made 18 consular contacts since 1988. Although the contents of the talks have been kept strictly confidential, limited media sources still enable people to have an inkling about what has been going on. It goes without saying that the issue of primary concern to the United States is Korea's potential ability to develop nuclear weapons; and that was why the former always

demanded that the latter participate in relevant international treaties and subject itself to on-the-spot inspections. The Korean side, however, openly avowed that it did not possess the ability to produce nuclear weapons, and that, if the United States stopped carrying out joint military maneuvers with South Korea, it was willing to sign an agreement on denuclearizing the Korean peninsula with South Korea. On the issue of contacts between itself and the United States, Korea has always stood for direct and high-ranking talks.

In December last year, the United States declared that it would not hold the planned joint military maneuver with South Korea in 1992. Moreover, the United States also indicated through newspapers that it had already fulfilled the task of withdrawing its tactical nuclear weapons from the South before both North and South Korea signed an nonaggression pact.

At the end of December last year, representatives from both North and South Korea signed in Panmunjom a "Joint Declaration on Denuclearizing the Korean Peninsula." On 21 January this year, that is, on the eve of the high-ranking Korean-U.S. talks, representatives from both North and South Korea exchanged copies of the above declaration signed by prime ministers of both sides, thus completing the entire signing procedure.

All these developments helped improve the atmosphere between Korea and the United States. In addition, both sides also saw their positions on the issue of nuclear weapons getting closer than before. Under such circumstances, it was undoubtedly logical that senior representatives from both countries could sit together and exchange views on promoting bilateral relations in a "frank and sincere" manner. Of course, it is impossible that the frozen relations existing between Korea and the United States over the years can melt completely within a short period of time. Analysts here, however, share a general view that, through high-ranking contacts and pragmatic talks on issues of common concern, the two sides can at least obtain a more direct and accurate understanding of one another's position. If the two sides can continue to exchange views in a frank and sincere manner and seek common ground on major issues while reserving differences on minor ones, the situation of the Korean peninsula can become more stable, and a reunification between the North and the South can be realized at an earlier date. Improved relations between Korea and the United States are beneficial not only to both North and South Korea and the United States, but also to the peace of Asia and the entire world.

Article on UN Role in Solving Regional Conflicts

OW1802112392 Beijing BEIJING REVIEW in English No. 4, 27 Jan-2 Feb 92

[Article by Liu Huorong: "UN's Role in Solving Regional Conflicts Enhanced"]

[Text] In the face of a fast changing and unstable world, the United Nations has in the past year made great efforts to resolve regional conflicts and achieved gratifying results.

Last September the UN Security Council became involved in Yugoslavia at the latter's request by holding a ministerial meeting on the Yugoslav civil war, which broke out after Croatia and Slovenia declared independence from the country in June, and adopted a resolution imposing an arms embargo on the Country.

Two more resolutions were passed later calling for the sending of UN peace-keeping troops to Yugoslavia when conditions are favourable.

Meanwhile, Cyrus Vance, the UN secretary-general's personal envoy and former U.S. Secretary of State, has visited Yugoslavia five times to see whether the outstanding obstacles can be removed, in order to permit the establishment of the UN operation. Now, both the Serbians and Croatians have accepted the UN plan, which provides for three UN protected areas in Croatia, to be patrolled and monitored by UN peace keepers. UN Secretary-General Boutros Boutros-Ghali has also recommended that the United Nations send 50 military liaison officers to Yugoslavia in an effort to maintain the ceasefire in the country.

Through the mediation of former UN Secretary-General Javier Perez de Cuellar, the Salvadoran government and the Farabundo Marti National Liberation Front (FMLN) signed the New York Act at the end of 1991 at the UN headquarters to end the 12-year-old civil war in the country, which has claimed more than 75,000 lives and caused 500,000 Salvadorans homeless and a material loss of US\$1 billion. [sentence as published]

Perez de Cuellar, who had been involved in the Salvadoran talks in the past two years, was elated at the signing of the New York Act. "I'm a free man," he declared. As midnight sounded and the burden of the office fell away, he said he felt "as light as a feather." He worked into the final minute of his decade as UN secretary-general, leaving behind one of the things he had striven for—peace in El Salvador.

The representatives of the government and the FMLN signed the final peace accord in Mexico City on January 16. The permanently peace accord has not only created favorable conditions for peace in El Salvador, but will also promote the peace process in Central America.

In the past year, particularly since the opening of the 46th session of the General Assembly in September, the United Nations has exerted its utmost to resolve armed conflicts and realize peace in the world.

First, after Iraq invaded Kuwait in August 1990, it was evicted by force at the beginning of 1991 in accordance with the UN Security Council Resolution 678. The Security Council in April also passed Resolution 687,

which sets the terms for the Gulf ceasefire, and has been making efforts to implement the resolution ever since.

In Cambodia, with the effort of the United Nations and the five permanent members of the Security Council and the cooperation of the member countries of the Association of Southeast Asian Nations, a peace accord was signed by the four Cambodian factions in Paris on October 23, thus officially ending the 13-year conflict and paving way for peace.

The secretary-general described the signature of the Paris accords as having created "an historic opportunity" for a genuine national reconciliation, the holding of free and fair elections and the establishment of a durable peace in Cambodia.

In accordance with the accords, Norodom Sihanouk, President of the Cambodian Supreme National Council (SNC), returned to Phnom Penh in November and established SNC there to run the country with UN assistance.

To implement the accords and carry out what the UN chief called "the most ambitious and complex operation" in its history, the United Nations has sent a 268-member advance mission before setting up the UN transitional authority in Cambodia this year to supervise the cease-fire, organize and conduct the elections and repatriate refugees.

The presence of the UN peacekeeping force in Cyprus, first sent in 1964 to prevent the recurrence of hostilities between the Greek and Turkish Cypriot communities, remains there and the UN secretary-general's offices, begun in 1968 with a view to establishing a bi-zonal, bi-communal federation in the Mediterranean island, are continuing.

In Western Sahara, a former Spanish colony, a ceasefire came into effect on September 6, 1991 in accordance with a settlement plan for the referendum. The UN had planned to end the fighting in Western Sahara with a referendum, to determine whether the territory becomes an independent country or joins Morocco. Under the changing world situation today, the United Nations has not only dealt with the many long-standing regional conflicts and problems, but has to handle newly-emerged hot spots as well. It is hoped that the United Nations will succeed in resolving such issues.

United States & Canada

Paper Calls U.S. Human Rights 'Rubbish'

OW1802130292 Shanghai JIEFANG RIBAO in Chinese
13 Feb 92 p 7

[Essay by Chu Yunfei (2806 0061 7378): "Qian Xuesen and U.S. Human Rights"]

[Text] There are people in the United States who like to act as "vanguards of human rights." Like a flashlight,

these people, as always, will only flash the light on others but not themselves. They have the style of A Q [a Lu Xun protagonist in "The True Story of A Q"] who shuns mentioning the "lights" [liang 0081] on his own head. In actual fact, in an era of advanced communications, one will easily come to the expressed conclusion what kind of rubbish [huo se 6303 5331] "human rights" in the U.S. actually are by reading the relevant information and using one's head even slightly. They are many Chinese who have been to the United States, and they can more or less offer their understanding of "human rights" there. Among them, Professor Qian Xuesen, who won the most prestigious honor of "State Scientist With Outstanding Contributions," should be one of the most qualified spokesmen on the subject.

Qian Xuesen went to the United States in 1935, and, after studying and working there for as long as 20 years, returned to China in 1955. During his 20-year stay in the United States, he devoted the first three to four years to studying and the rest—more than a decade—to work. He had been a professor in aeromechanics, a jet propulsion technical consultant, a panelist to the Air Force Scientific Consultation Panel, and an adviser to the Navy Artillery Research Institute. He also took part in researching and developing long-distance rockets. No one will say that his contributions to the United States is less. By rights, the United States should thank him; however, instead of thanking him, the U.S. Government chose to return evil for good by disqualifying him in confidential research programs and accusing him of being a member of the U.S. Communist Party (actually Qian Xuesen joined the CPC as late as 1959, long after his return to China), on the grounds that he had been with a Marxist-Leninist study group at the California Institute of Technology, a group led by chemist (Wayne Bowman) [wei yin bao mu (1218 0936 7637 1191)]. His association with (Bowman) was further linked to all sorts of connections. Is it not a classic example of trampling human rights when an individual is persecuted for, out of his independent political faith, reading several books on Marxism and Leninism?

The story does not end here. Although he had determined, as early as the day he left China for the United States, to return to China after qualifying himself in the United States, Qian Xuesen was unjustifiably arrested by the U.S. Government in 1950 when he was about to leave for home. He was confined to a small island and endured suffering until he was finally rescued by U.S. professors (who were the real vanguards of human rights). After being discharged from prison, he was further placed under house arrest in disguised form for five more years. U.S. Navy Under Secretary (Daniel Howard.) [dan e er jin bo er (0030 0618 1422 6855 3134 1422)] even went to the extent of saying "I would rather shoot this fellow than let him leave America. He is worth five divisions, wherever he may be." This is the undisguised U.S. "human rights."

Qian Xuesen returned to the motherland in 1955 after the Chinese Government stepped in by voicing its righteous indignation; however, as Qian Xuesen put it: "I was deported as an American criminal being repatriated to China. For the whole journey, I was not allowed to disembark; otherwise, the U.S. Government could not claim responsibility for my safety." Is it not clear what kind of rubbish "human rights" are in the United States?

This should explain why Qian Xuesen, who has repeatedly been invited by friends in the United States to visit, has not stepped on American soil since his return to China—nor will he during his lifetime. This is by no means a statement of indignation. This is simply because this upright scientist, at a very early stage, had the most profound understanding of "human rights" in the United States. During the French Revolution, Jeanne Manon Roland emotionally said: "O Liberty! O Liberty! What crimes are committed in thy name?" Today, the following phenomenon has emerged: Human rights, what crimes are committed in thy name! Is this not exactly what "vanguards of human rights" in the United States have been doing?

Bush, Tsongas Win in New Hampshire Primary

OW1902111992 Beijing XINHUA in English
1050 GMT 19 Feb 92

[Text] Manchester, New Hampshire, February 18 (XINHUA)—U.S. President George Bush and Democratic candidate Paul Tsongas won the first presidential primary elections in New Hampshire today, according to initial results.

With 84 percent of the Republican precincts counted, Bush won 57 percent of the votes, leading over his major rival in the Republican Party Patrick J. Buchanan by 16 percent.

Also with 84 percent of the precincts counted, Democratic presidential candidate Tsongas won the primary by garnering 33 percent of the Democratic votes while Clinton got 26 percent. Another two Democratic contenders—Bob Kerry and Tom Harkin took 12 and 11 percent respectively.

"I am delighted tonight to have won the New Hampshire primary," Bush said in a written statement released by the White House.

"Now, on to the south," he said. "I am confident of winning our party's nomination and the election."

But alarmed by Buchanan's winning of 41 percent of the votes, he described the election as being "far closer than many had predicted." In pre-election polls, Bush led Buchanan by 65-28 percent.

Over the past 50 years no president ever survived when a challenger garnered more than 35 percent of the vote in the New Hampshire primary, which used to be a test-stone of any presidential campaign.

Bush said he understood the "dissatisfaction" of New Hampshire's voters. "I think the opponents on both sides reaped the harvest of discontent with the pace of New Hampshire's economy," he said.

"The message of tonight is that Americans are concerned about the future," he added.

But Bush's aides tried to play down Buchanan's future prospects. They said Buchanan had peaked in this small, conservative state.

According to exit polls by broadcast networks, 52 percent of Buchanan's voters said they voted for him to send a message to Bush, compared with 48 percent who said they support him to be the president.

Buchanan, claiming his victory in defeat, vowed to continue with his fight, saying "the battle of New Hampshire is over and won, now begins the battle of the south."

"We can take this battle to the entire country," he told his cheering crowds at a Manchester restaurant.

"Tonight the message was to Washington," Tsongas said, "the message is we are hurting. America is hurting."

But he also called on his Democratic Party to make policy changes. "The Democratic Party must change its rhetoric: No more corporate-bashing, no more protectionism, no more Japan-bashing," he said.

Clinton, once the Democratic frontrunner whose reputation was tarnished in the last two weeks by alleged womanizing and draft dodge, called his showing—seven percent behind Tsongas as a "stunning victory."

Clinton told his supporters that he "just can't wait to take this campaign across the country," and "in November we are going to win a great victory—against Pat Buchanan."

Winning the New Hampshire primary is of special importance to presidential candidates. In the 40 years since New Hampshire began voting its preference on candidates, no president has been elected without winning the primary first.

Article on Domestic Problems Facing Government

OW1802121592 Beijing BEIJING REVIEW English
No 4, 27 Jan-2 Feb 92 pp 9-10

[Article by Wei Guoqiang: "The United States Plagued by Domestic Problems"]

[Text] At the beginning of 1992 various problems such as the flagging economy and deteriorating education quality have become the focus of public attention in the United States.

The U.S. economy fell into a recession in the summer of 1990. Although a slight recovery was spotted in the middle of 1991, another downturn seemed inevitable in

the last quarter of 1991, enabling the forecast of a "double-dip" recession by economists to become a reality.

The sluggish economy has aggravated the unemployment situation. The jobless rate has increased to 6.8 percent, or a total of 8.6 million Americans are unemployed. If those who have only part-time jobs and those who are reluctant to register as unemployed are counted, the jobless will exceed 17 million.

The latest forecast by economists painted an even gloomier picture of the labour market. The civilian unemployment rate will rise to 7 percent in May 1992, then drift back down to 6.8 percent in November, exactly the same as in November 1991, the WALL STREET JOURNAL reported.

The drastic increase in unemployment has seriously hurt the consumers' confidence. As they worry about their jobs, people hesitate to spend money. Without a strong market demand, the consumption-oriented U.S. economy is unable to rebound. The bleak market in turn affects the production and service sectors, which would again result in increasing lay-offs. All this indicates that the U.S. economy is moving in a negative cycle.

Federal budget deficits, debts, bank failures and trade deficits also cause concern among the American public. In 1991, the budget deficit of the U.S. government exceeded US\$200 billion, pushing the total national debt to more than US\$3 trillion. Corporate and private debts totalled more than US\$3.4 trillion, or US\$13,000 for each consumer. The total national, corporate and private debts are higher than the U.S. national gross product in 1991.

As a result of the heavy debt burden, an increasing number of businesses and people applied for bankruptcy protection in 1991. It also served as a major cause for the delay in economic recovery.

Bad management and debts have led to the closure of more than 1,000 American banks since 1985. In 1991 more than 200 banks went bankrupt, some of which were large ones. Because of increased payments to the depositors of the bankrupt banks, the Federal Deposit Insurance Corporation (FDIC) almost ran out of funds in 1991. The alarming situation forced the government to pump US\$70 billion into the FDIC in an effort to prevent the bank industry from sinking into a more serious crisis.

In terms of international payments, the United States became the largest debtor country in the world in the mid-1980s. The situation remains unchanged. In 1991 the U.S. trade deficit totalled some US\$100 billion.

The disparity between imports and exports created difficulties for many American businesses, with the result that many people lost their jobs. Such circumstances

revived the trend of protectionism and "America first", giving political ground to the advocates of "isolationism".

Education in the United States, once considered the best in the world, is facing challenges from other countries. According to press reports, the education quality of primary and middle schools in this country has deteriorated due to low salaries for teachers, higher rates of dropouts and the lack of qualified teachers.

The number of functional illiterates has increased. More undergraduate and graduate students major in business rather than the sciences, reducing human resources for the future development of science and technology. The lack of basic knowledge by young people has seriously affected the U.S.' ability to compete. Moreover, the use of drugs by more and more middle school students and the worsening problem of juvenile delinquency are causing public concern.

Scholars note that if the educational system is not reformed, the United States will lose its position as the champion of scientific and technological development in the next century. Heeding the warning, President George Bush launched an education strategy 1991, which calls on the American public to pay more attention to basic education, especially mathematics, so that students can successfully compete with the rest of the world.

Due to the sluggish economy, the chronic social problems worsened in 1991. The widening gap between the rich and the poor is most conspicuous. According to statistics reported by the U.S. Census Bureau, the poor totalled 33.6 million in 1990, and if counted in terms of race, the poor rate for blacks reached 31.9 percent, or 21.2 percent higher than that of the whites. According to press reports, the situation was worsening rather than improving in 1991.

The press reports said 20 percent of American children live in poverty with many going hungry. Without medical insurance, millions of children are threatened by common diseases.

The Federal Bureau of Investigation (FBI) reported in late 1991 that crimes reported to the police rose 2 percent in the first half of the year, of which violent crimes increased by 5 percent, compared with the same period of 1990. However, the Justice Department estimated that the FBI figure only accounted for less than 40 percent of the total crimes in the country. In Washington D.C. alone 748 people were murdered last year, the highest in four years. American specialists note that rising crimes are closely related to unemployment and drug addiction among youths in the most crime-prone age group ranging from 15 to 24.

Meanwhile, people also complain about other issues including racial and sex discrimination, homelessness, the high cost of medical insurance, the spread of AIDS and the low standard of living. They criticize the U.S. government for paying more attention to foreign affairs

than to domestic problems. Democrats and Republicans accuse each other of being responsible for the problems.

The worsening domestic problems have weakened the United States and will inevitably produce an impact on its foreign policy in the years to come. In fact, a debate on whether the United States should return to an "isolationist" policy or pursue a "globalist" one was unfolded in early 1991.

As 1992 is an election year, the debate will be intensified not only among the presidential hopefuls, but also among the public. However, since the U.S. domestic problems have been accumulating for so long, neither advocates for isolationism nor champions for globalism will be able to solve them easily.

Central Eurasia

CIS Army Chief Predicts Armed Forces To Split

OW1902015992 Beijing XINHUA in English
0127 GMT 19 Feb 92

[Text] Moscow, February 18 (XINHUA)—Commander-in-Chief of the Commonwealth of Independent States (CIS) Yevgeniy Shaposhnikov said here Tuesday that the former Soviet forces would eventually be divided into individual national armies.

However, in a self-described personal prediction made at a press conference, he said the treaty on unified CIS armed forces signed in February 14 at the Minsk summit would eventually develop into one defensive alliance like the former Warsaw Pact or North Atlantic Treaty Organization.

Altogether eight of the 11 CIS members—the Ukraine, Azerbaijan and Moldova were the exceptions—signed the agreement.

Shaposhnikov said it would be extremely difficult to finance and supply the combined CIS forces because they had no common center and because they could act independently.

He was strongly opposed to any idea of members setting up their own armies in areas where the internal situation was unstable or where ethnic conflict existed.

He suggested the rapid withdrawal of the armed forces stationed in such areas.

Rutskoy Calls Yeltsin Government 'Criminal'

OW1402231092 Beijing XINHUA in English
1929 GMT 14 Feb 92

[Text] London, February 14 (XINHUA)—Russia's Vice-President Aleksandr Rutskoy today described President Boris Yeltsin's administration as "criminal" and said it should be put on trial.

He made the remarks in an interview with Britain's Independent Television News (ITN) in Moscow.

He said, "a government that cannot feed its people, where school children are going hungry and old people have to rummage through dustbins for food—that government is criminal and should be put on trial."

He denied that he would resign because of collision with Yeltsin and said he might contend for the presidency of the Russian Federation in the future.

Yeltsin Cited on West Supporting Russian Reform

*OW1302135692 Beijing XINHUA in English
1336 GMT 13 Feb 92*

[Text] Moscow, February 13 (XINHUA)—Russian President Boris Yeltsin said today that his visit to the United States, Great Britain, Canada and France has garnered support for his country's reforms.

The Russian president visited the four countries in late January and early February of this year.

Early today, Yeltsin told the Russian parliament that an unprecedented session of the United Nations Security Council was of great importance.

In his address to the session, Yeltsin spoke of a new concept of international security based on drastic nuclear arms cuts and a proposal to the United States to engage in the joint creation of a global space defense system for the entire world community.

Yeltsin pointed out that the leadership of the "United States is deeply interested in supporting Russian reforms" and U.S. business circles are becoming interested in large-scale cooperation with Russia.

Lithuania's Economy Reportedly Still Deteriorating

*OW1302183592 Beijing XINHUA in English
1728 GMT 13 Feb 92*

[Text] Moscow, February 13 (XINHUA)—Lithuania's economy is deteriorating and the worsening situation will last until the end of this year, a Lithuanian economist said.

The economist told ITAR-TASS that from the beginning of this year, Russia, Ukraine and other former Soviet republics almost suspended the raw material supplies to Lithuania and brought many enterprises in the republic to the edge of bankruptcy.

By the end of this year, 618,000 people in Lithuania will lose their jobs, accounting for one-third of the republic's working force, he said.

CSCE Mediators Travel to Azerbaijan, Armenia

*OW1402071292 Beijing XINHUA in English
0649 GMT 14 Feb 92*

[Text] Moscow, February 13 (XINHUA)—An observer group from the Conference on Security and Cooperation in Europe (CSCE) arrived here Thursday en route to Azerbaijan to weigh up the situation in war-torn Nagorno-Karabakh.

The group, the first international mediation mission to be sent to the former Soviet Union, is led by K. Schwarzenbeck, chief of the Czechoslovakian presidential chancellery and includes observers from the United States, Britain, Norway and Holland.

A Norwegian observer told the ITAR-TASS news agency that CSCE mediation in Nagorno-Karabakh, a largely Armenians populated [as received] enclave in Azerbaijan, was aimed at seeking peaceful and constructive solutions.

The idea was to create living conditions acceptable to both Armenians and Azerbaijanis, he said.

Ten former Soviet republics including Armenia and Azerbaijan were granted CSCE membership at the CSCE foreign ministerial meeting in Prague last month.

The meeting also decided to send fact-finding missions to hot spot areas in the Commonwealth of Independent States.

On Thursday, the group discussed the situation in Nagorno-Karabakh with Russian defence and interior ministry officials.

They will first visit Azerbaijan before ending the mission in Armenia.

Northeast Asia

DPRK Opposes Japanese Permanent UNSC Seat

*OW1402231292 Beijing XINHUA in English
1924 GMT 14 Feb 92*

[Text] Pyongyang, February 14 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today opposed Japan's intention to become a permanent member of the U.N. Security Council [UNSC].

In an interview with the Korean Central News Agency (KCNA), a Foreign Ministry spokesman said that Japan was not qualified to become the permanent member without clearly liquidating its past.

Over the past fifty years after the Second World War, Japan had not dealt properly with the post-war problems, the spokesman said.

As shown by the DPRK-Japan talks in the past one year, the spokesman said, Japan did not sincerely apologize

for its war crimes nor had it intended to compensate for the heavy human and material losses it inflicted on the Korean people.

The spokesman charged that Japan was trying to beautify the crimes it committed during the Second World War without repenting for them.

Worse still, he said, Japan was even heading for nuclear arming, pressing ahead with its conversion into a military power, despite the ban by post-war international conventions.

Japan has on many occasions revealed that it wanted to become a permanent member of the U.N. Security Council. Some time ago, a Japanese official said, "the Japanese Government will continue its efforts to get the permanent membership of the U.N."

No Tae-u Approves Agreements With DPRK

OW1702163192 Beijing XINHUA in English
1505 GMT 17 Feb 92

[Text] Pyongyang, February 17 (XINHUA)—South Korean President No Tae-u approved today two agreements between his country and the Democratic People's Republic of Korea.

One is the agreement on reconciliation, non-aggression, exchanges and cooperation, and the other the joint declaration on the denuclearization of the peninsula.

South Korea radio, monitored here, reported that No Tae-u said the signing of the agreements had ushered in a new era in Korean nationality. He expressed his hope they could be implemented after formally taking effect Wednesday.

The agreements were signed on December 13 and 31 last year and are expected to take effect after the exchange of texts at the sixth talks between the prime ministers of the two countries scheduled for February 19.

XINHUA Reports on Korean Peace Accords

OW1902084992 Beijing XINHUA in English
0835 GMT 19 Feb 92

[Text] Pyongyang, February 19 (XINHUA)—The two parts of Korea today formally began to implement three agreements for mutual non-aggression and the denuclearization of the peninsula with government leaders from both sides pledging strict observance.

The three documents were an agreement on reconciliation, non-aggression, exchanges and cooperation, a joint declaration on the denuclearization of the Korean peninsula, and an accord on the establishment of three specialized committees to supervise the implementation of the first two agreements.

At a meeting this morning of the sixth round of inter-Korea high-level talks, Yon Hyong-muk, prime minister of the Democratic People's Republic of Korea (DPRK),

and his South Korean counterpart Chon Won-sik exchanged instruments on the first two agreements and signed the accord on the specialized committees.

"It is a historical progress in the process of national reunification," said Yon.

He recalled that thanks to the totally unexpected dramatic developments over the past few months, the two parts of Korea are now standing at a turn from confrontation to reconciliation, from war to peace, and from division to reunification.

Blood is thicker than water, he noted, and urged earnest implementation of the three documents.

Prime Minister Chon Won-sik of South Korea described the enacted documents as a vigorous step towards "the era of reconciliation and cooperation" for Korea that is of great significance.

He appealed to both sides to be true to the accords under whatever circumstances, make them "a milestone to an improving relationship between the South and North," and proceed farther.

Observers here noted the expeditious conclusion of the three accords, which were initialed and formally signed in little over two months, augured well for the development of the situation in the peninsula as a whole.

Delegates of the two sides are reportedly entering into secret contacts this afternoon in preparation for the seventh round of high-level talks and the establishment of a joint committee on nuclear control.

DPRK Premier Urges 'Early Reunification'

OW1902103992 Beijing XINHUA in English
1031 GMT 19 Feb 92

[Text] Pyongyang, February 18 (XINHUA)—Democratic People's Republic of Korea (DPRK) Premier Yon Hyong-muk tonight urged the early reunification of his divided nation.

The key to Korea's reunification lay in the hands of the Korean people, he said.

And the door for reunification could hopefully be opened very soon, the KOREAN CENTRAL NEWS AGENCY (KCNA) reported Yon as saying.

The premier made the remarks at a dinner honoring his South Korean counterpart Chon Won-sik who arrived in Pyongyang earlier in the day to attend a sixth round of high-level talks.

The two sides had already produced the historic north-south agreement and joint declaration on denuclearization, Yon said.

This reflected the fervent desire of all their fellow countrymen for reunification and peace, he said.

Yon said the three principles of national reunification laid down in the July 4 joint statement had been reconfirmed.

There was a definite will to realize reconciliation, non-aggression, cooperation and exchange, he said.

This was manifested in the agreement, he added.

The joint declaration on denuclearization had created favorable conditions for Korea's reunification and made contributions to peace and stability in Asia and the world as a whole, he said.

ROK Foreign Minister Reportedly To Visit

*HK1902085292 Hong Kong AFP in English
0805 GMT 19 Feb 92*

[Text] Beijing, Feb 19 (AFP)—South Korean Foreign Minister Yi Sang-Ock will visit China in April to attend an international meeting, the Korea Trade Mission said Wednesday [19 February].

Lee will be the first South Korean foreign minister to come to Beijing when he arrives for the April 14-23 session of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP).

It was not known yet if Lee will have bilateral meetings with Chinese officials here, Korea Trade Mission first secretary Chung Sang-Ki said.

The two countries do not have diplomatic relations, but have strengthened economic ties with an exchange of semi-official trade offices. China recognizes North Korea.

Chinese Foreign Minister Qian Qichen visited Seoul in November for a meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

Article on Japan's Role in World Politics

*OW1802133992 Beijing BEIJING REVIEW
in English No 5-6, 3-16 Feb pp 10-12*

[By Lin Xiaoguang: "Japan Seeks Greater Role in the World"]

[Text] Taking advantage of the opportunities offered by the drastic changes in the world, Japan is trying to establish itself as a political power in international affairs and eventually as one of the leaders of the world.

Political Role

Japan's postwar foreign policy was characterized by an economic diplomacy of securing supplies of raw materials and markets for its goods and capital.

Since the beginning of the 1990s, while continuing its economic diplomacy, Tokyo has been very active in expanding its political influence and winning a say in international affairs.

In May 1990, Tokyo hosted the talks between Prince Norodom Sihanouk and Hun Sen of Cambodia on ending the conflict in their country. In March 1991, it advanced a peace initiative on Cambodia. In 1992, it will host an international conference on the reconstruction of Cambodia. In addition, it will take part in the Middle East Peace Conference to be held in Moscow. All these are signs of Tokyo's attempt to play a major political role in resolving international conflicts.

Even on economic aid, Tokyo now stresses the political benefits.

Independence

For quite a long time after World War II, Japan followed the United States step by step in foreign affairs and was very slow and passive in responding to world events.

Since the beginning of the 1990s, proceeding from its own national interests and strategic goals, Japan has become more active and independent in conducting its foreign policy in an attempt to fill the vacancy in the Asian-Pacific region left by the withdrawal of U.S. and Russian influences.

For example, Mongolia, a former close ally of Moscow, used to be an area totally ignored in Tokyo's diplomatic map. After the Russian pullout, Tokyo lost no time in filling the vacuum. In August 1991, former Prime Minister Toshiki Kaifu paid a visit to the land-locked country, the first ever to that country by a Japanese prime minister. Tokyo pledged to provide Mongolia 2 billion Japanese yen in gratis aid and US\$100 million as trade guarantees. Furthermore, Japan energetically lobbied Western countries and international financial institutions, such as the World Bank, to convene a conference on aiding Mongolia.

What is noteworthy is that, in a major departure from its past low-profile image, Tokyo no longer seeks Washington's approval before taking steps and adopts an active attitude. It advanced its own version of a new world order and launched a diplomatic drive to push it forward. Kaifu visited the United States, Europe, the Middle East South Asia, Southeast Asia, China and Mongolia. The new Prime Minister, Kiichi Miyazawa, though in office for only three months, has already received U.S. President George Bush in and visited South Korea.

Military Role

Tokyo has made major adjustments to the traditional postwar diplomatic line of economic interests prevailing over military affairs. More attention is being paid to the role and potential impact of military means.

During the Gulf war in early 1991, Tokyo provided US\$9 billion to the U.S.-led allied forces, marking the first time since World War II that Japan offered war aid to a warring party. The government has tried several

times to pass a United Nations Peace-Keeping Cooperation Act in a bid to break up the legal stipulations on banning the dispatch of Japanese troops to overseas areas.

After such an attempt failed, Tokyo, instead, decided to send transport airplanes of the Self-Defence Force to the Gulf under a special cabinet decree. The Defence Ministry planned to build a field hospital equipped with weapons in the Gulf. In April 1991, a mine-sweeping fleet was finally sent to the Gulf.

After completing its mission, however, the fleet stayed there in the name of protecting the security of the navigation route. In July, Admiral Makoto Sakuma, a senior officer of the Self-Defence Force visited Bahrain and the United Arab Emirates. He was the first Japanese military officer ever to visit the Gulf.

At the same time, Tokyo indicated its readiness to join the United Nations peace-keeping force in Cambodia.

It remains to be seen how this military factor will work in future Japanese diplomatic manoeuvres.

Ideology

Tokyo's blueprint for a new world order contains five points: Safeguarding world peace and security; respecting freedom and democracy; assuring world prosperity in an open market; safe-guarding an ideal living environment for human beings; and establishing a new type of international relations based on dialogue and coordination. Of these, Western democratic politics and a market economy are the most important. Obviously, Tokyo intends to spread Western political and economic systems to the rest of the world.

On April 10, 1991, Kaifu proposed at the Senate Budget Committee that in providing aid, Japan take into consideration military spending, arms production and exports, political democratization and the marketization of the economy of the recipient country. The government's development aid, therefore, has changed in nature from purely economic to ideological and political.

United Nations

The United Nations has gained much importance in safeguarding world peace and resolving regional conflicts due to dramatic changes in the world. Japan, a defeated nation during World War II, feels the need more than ever before to upgrade its international standing through the United Nations.

Japan's ultimate aim is to be elected a permanent member of the UN Security Council, or, just as well, a member having only voting but without veto rights, thereby edging into the international decision-making body.

To this end, Tokyo decided that beginning in 1992, it will share 12.45 percent of UN budget. It has also proposed to remove the "enemy state" article from the UN Charter.

At the 46th UN General Assembly, Japan realized its initial goal of becoming a non-permanent member of the Security Council. Tokyo plans to remain in that position until a full permanent membership is attained so that it can maintain a voice in international affairs.

The fact that Japan has become the second largest UN spending-sharing nation foreshadows greater Japanese efforts to push ahead with its UN diplomacy.

Ties With Big Powers

U.S.-Japanese relations have always been the cornerstone of Japanese foreign policy. The rapid changes in the former Soviet Union prompted both Tokyo and Washington to fine-tune their security strategy.

On April 30, 1991, Japanese Defence Minister Yukihiko Ikeda and U.S. Secretary of Defence Dick Cheney agreed that the objective of the Japan-U.S. Security Treaty would be switched from countering Soviet threat to stabilizing the regional situation and that Tokyo would provide logistic support if Washington responds to a regional conflict.

During his meetings with Bush, Kaifu repeatedly stressed the importance of Japanese-U.S. ties. Since taking office, Miyazawa has met with Cheney and U.S. Chairman of the Joint Chief of Staff Colin Powell, reaffirming the alliance.

During Bush's visit to Tokyo in January 1992, the two countries released a Tokyo Declaration which defined a "global partnership" between the two nations.

Relations with Moscow have been another important integral part in Tokyo's foreign policy. However the northern territory problem has been a stumbling block towards improved relations. In April 1991, former Soviet President Mikhail Gorbachev visited Japan, but the visit failed to make any headway on the thorny issue.

After the August 19 coup in Moscow, Tokyo adjusted its policy towards the Russians. First, it no longer insisted on the inseparability of politics from economics and instead announced a US\$2.5 billion aid package to Moscow in the hope of recovering its northern territories when the ties improve well enough. In the meantime, Tokyo diverted the emphasis of its diplomatic activities from the former union to the republics, especially Russia.

After the formation of the Commonwealth of Independent States, Tokyo moved closer to Russia. On December 27, 1991, Miyazawa wrote to Russian President Boris Yeltsin congratulating the establishment of the commonwealth and announcing recognition of Russia as an independent state. Tokyo has issued invitations to Yeltsin and his foreign minister to visit Japan.

Japanese Foreign Minister Michio Watanabe attended an international meeting in the United States on providing humanitarian aid to the former Soviet republics.

China Ties

In the past year, the Japanese finance minister, international trade and industry minister, foreign minister and prime minister paid visits to China and the Chinese foreign minister and vice premier toured Japan, marking full restoration of bilateral ties, which were strained since mid-1989. Tokyo pledged to go on with the third yen loan programme and proposed a new concept of building a new Japanese-Chinese relationship in the world context.

Miyazawa has on many occasions promised that the policy of maintaining friendly ties with China would remain unchanged. He expressed the hope of furthering bilateral ties through increasing high-level exchanges in 1992, the 20th anniversary of normalized diplomatic relations between the two countries. Foreign Minister Watanabe visited China in January this year. The Japanese Foreign Ministry suggested that Sino-Japanese ties be promoted to a level second only to the U.S.-Japanese relationship.

Asia

Tokyo regards Asia as the major field for its diplomatic manoeuvres. Only by relying on Asia can it compete with Europe and the United States and thereby ascend to the position of a world power.

To this end, Tokyo has strengthened economic links with Asian nations. In 1990 and 1991, direct Japanese investment in the Association of Southeast Asian Nations increased successively by 90 percent. In the first half of 1991 alone, Japan's exports to Asian nations reached US\$50.3 billion, exceeding the US\$42.6 billion exports to the U.S.

Through cooperation in capital and technology, Japan has tried to mobilize Asian countries into a regional economic network that will compete with the North American free trade zone and the European Community.

Japan has also made it clear that it intends to play a political role commensurate with its economic clout. During his visit to ASEAN countries, Kaifu, in a crucial divergence from his predecessors, stressed the need for Japan to play a political role in Asia. Tokyo has proposed the creation of a multi-national mechanism for safeguarding Asian-Pacific security. This is quite different from the past economy-centred policy towards Asia.

On the two hot spots in Asia—the Korean Peninsula and Cambodia—Tokyo, no longer evasive and wary, has taken an active part in the peace process in the two regions. It seems that in 1992, Tokyo will continue to base its foreign policy on its formidable economic strength and seek to wield a greater political influence on world affairs.

Southeast Asia & Pacific

Further on Zhu Rongji New Zealand Trip

Zhu Visits Afforestation Area

OW1802131092 Beijing XINHUA in English
1253 GMT 18 Feb 92

[Text] Christchurch, New Zealand, February 18 (XINHUA)—Chinese Vice-Premier Zhu Rongji visited today an afforestation area in Otago Region on the east coast of the south island, where a joint venture involving Chinese capital has bought thousands of hectares of forest.

A royal New Zealand Air Force Andover plane took the Chinese official delegation from Christchurch to Dunedin, another major city in the south island of New Zealand, early this morning.

The delegation led by Zhu includes vice-minister in charge of the State Economic Planning Commission Ye Qing and Vice-Minister of Foreign Affairs Liu Huaiqiu.

Accompanied by Michael Nottage, secretary of the New Zealand Ministry of External Relations and Trade, Zhu and his party went by coach to some of the forest blocks owned by the Wenita Forests Ltd., watched timber workers pruning and thinning, cable logging and skidder logging, and talked with them.

Wenita, a joint venture with Chinese capital making up a lion's share, bought the cutting rights to more than 23,000 hectares of Radiata forest in late 1990.

During its first full operation year of last year, Wenita produced 260,000 cubic meters of timber, of which more than 80 percent has been exported to South Korea and Japan.

Zhu Rongji was glad to hear that the company had contributed to the development of New Zealand's local economy as well as providing job opportunities for New Zealanders.

The achievements of the company, Zhu said, partly reflected the progress of China-New Zealand economic cooperation. He hoped that the company would further expand its scope to benefit both New Zealand and China.

The delegation toured in the afternoon the city center of Dunedin and the Otago University, where the group was deeply impressed by the century-old Scottish-style architectural buildings.

Meets Governor-General Tizard

OW1902100892 Beijing XINHUA in English
0923 GMT 19 Feb 92

[Text] Wellington, February 19 (XINHUA)—New Zealand and China have a lot in common in their economic development and great potential should be tapped in developing their economic cooperation.

This was stated by New Zealand Governor-General Catherine Tizard at a meeting with visiting Chinese Vice-Premier Zhu Rongji at the government house this evening.

The meeting took place immediately upon arrival of the Chinese vice-premier from Christchurch. Zhu visited the country's south island in the past two days.

Tizard said she witnessed the great changes of China in the 1980s when comparing what she had seen in 1988 at her second visit to China. In 1978 she paid her first visit.

The governor-general was also pleased to see the enlivening economic exchanges between China's Guangzhou and Auckland which she initiated when she was the major of Auckland which is New Zealand's biggest city and the country's economic and commercial and monetary center. Tizard became New Zealand's first woman governor-general early last year.

In reply, Zhu said the friendly and cooperative relations between China and New Zealand based on a good foundation has been developing smoothly in recent years and are leading to an all-round development in depth, both politically and economically.

Briefing the governor-general on China's domestic situation, Zhu said China is now speeding up its pace in economic reform and opening wider to the outside world. This, he added, also provided favorable conditions and opportunities for expanding the cooperation between the two countries.

Zhu invited her to visit China at a proper time on behalf of Chinese President Yang Shangkun. Tizard accepted the invitation with pleasure, saying she hoped the visit will take place as early as possible.

Radio, Film, TV Minister Visits Singapore

OW1902063892 Beijing XINHUA in English
0621 GMT 19 Feb 92

[Text] Singapore, February 19 (XINHUA)—Chinese Minister for Radio, Film and Television Ai Zhisheng called on Singapore Minister for Information and the Arts George Yeo here this morning.

The two ministers had friendly talks on the development of cultural Cooperation between the two countries.

The 6-member delegation Ai Zhisheng led arrived here Tuesday for a 5-day visit.

Ai will call on President Wee Kim Wee and Deputy Prime Minister Ong Teng Cheong tomorrow.

During the visit, the delegation will visit the Singapore Broadcasting Corporation, Housing Development Board, Economic Development Board, Singapore Science Center and Port of Singapore Authority.

Singapore is the first leg of the delegation's three-nation trip. They will leave here for Indonesia and Thailand on February 23.

Ambassador to Burma Celebrates Lantern Festival

OW1802145092 Beijing XINHUA in English
1420 GMT 18 Feb 92

[Text] Yangon [Rangoon], February 18 (XINHUA)—Chinese Ambassador to Myanmar [Burma] Liang Feng gave a reception here this evening for leaders, representatives and friends of Chinese-Myanmar and other Chinese residents on the occasion of China's Spring and Lantern Festivals.

In his toast at the reception which drew over 200 people, Liang gave a brief account of the good situation in China and the achievements made by the Chinese people in the past year despite serious floods in many parts of the country.

He expressed the hope that Chinese-Myanmar and other Chinese residents would make efforts to strengthen China-Myanmar friendly relations and promote the economic development of the country.

The Chinese Embassy and some major organizations of Chinese-Myanmar and other Chinese residents in Yangon have had gatherings to celebrate the traditional Spring Festival.

The embassy also invited dozens of representatives from the Chinese-Myanmar women's organization and other Chinese women residents here to a tea and film party.

Near East & South Asia

Egyptian Consultative Group Departs for Visit

Interview With Delegation Head

OW1902082592 Beijing XINHUA Domestic Service in Chinese 0331 GMT 19 Feb 92

[Text] Cairo, 18 Feb (XINHUA)—A delegation of the Egyptian Consultative Council [as received] led by its chairman Mustafa Kamal Hilmi left here this evening for a week-long visit to China.

Before his departure, Hilmi told a XINHUA reporter that he will convey letters from Egyptian President Mubarak to Chinese President Yang Shangkun and Premier Li Peng respectively.

Hilmi said: In his letters, Mubarak discusses the friendship between Egypt and China, and the two countries' cooperation in dealing with international issues, including preserving peace, international cooperation, and building a new world order that will be conducive to all nations' peace and progress.

Hilmi praised Egyptian-Chinese relations and highly appreciated China's support for Egyptian and Arab

causes, especially China's position on the Middle East issue and on the restoration of the Palestinian people's right to self-determination.

Hilmi said that during his stay in China, he will hold talks with the National Committee of the Chinese People's Political Consultative Conference and Chinese Government officials.

Further Reportage on Trip

OW1802223492 Beijing XINHUA in English
1947 GMT 18 Feb 92

[Text] Cairo, February 18 (XINHUA)—The president of the Egyptian Shura (consultative) council, Mustafa Kamal Hilmi, left Cairo this evening for Beijing on a week-long visit to China, leading a council delegation.

In a statement to XINHUA before departure, Kamal Hilmi said he would deliver a letter from President Husni Mubarak to Chinese President Yang Shangkun, and another to Premier Li Peng.

Mubarak's letter, he said, is an expression of the friendship between the two countries and their cooperation in handling international problems including the maintenance of peace, international cooperation and establishment of a new world order in the interests of peace and progress for all nations.

Kamal Hilmi praised the relations that bind Egypt and China. He also praised China's positions in support of Egypt and the Arab causes, foremost of which are the Middle East problem and the right of the Palestinian people to self-determination.

Kamal Hilmi stated that his delegation would hold meetings with leaders of the National Committee of Chinese People's Political Consultative Conference and Chinese Government officials.

Sub-Saharan Africa

Supervision Minister Starts 6-Day Visit to Uganda

OW1802174392 Beijing XINHUA in English
1654 GMT 18 Feb 92

[Text] Kampala, February 18 (XINHUA)—The Chinese minister of supervision, Wei Jianxing, and his party arrived here today to pay a six-day visit to Uganda.

During his visit, the first ever by a Chinese supervision minister to the eastern African country, Wei is expected to call on the Ugandan president, vice-president, prime minister and other senior officials. He will also hold talks with Augustine Ruzindana, the inspector general of government.

On his arrival at the Entebbe International Airport, the Chinese minister said that the purpose of his visit is to learn experience from his Ugandan counterpart and to

establish formal and friendly relations between the supervision organs of the two countries.

Uganda is the first leg of Wei's three-nation African tour which will also take him to Tanzania and the Sudan.

Ugandan Reportage on Wei Visit

WA1902143492

For Ugandan media reportage on the visit by Supervision Minister Wei Jianxing to the Republic of Uganda, including reports on his talks with Augustine Ruzindana, inspector general of government, and with President Yoweri Museveni, please see the East Africa section of the 19 February Sub-Saharan Africa DAILY REPORT and subsequent issues.

Government Grants Uganda \$25 Million for Stadium

OW1502033292 Beijing XINHUA in English
0307 GMT 15 Feb 92

[Text] Kampala, Uganda, February 14 (XINHUA)—China will grant Uganda 25 million dollars in loan to fund the construction of a sports complex at Nambole, near the Ugandan capital of Kampala, Uganda Radio announced on Friday.

Under the loan agreement signed by the Chinese and the Ugandan Governments, the construction of a 40,000-seater stadium is due to start in June and is expected to be completed in April 1996.

China helped Kenya build the Kasarani sports complex on the outskirts of Nairobi, where the fourth all Africa games were held in 1987.

The Chinese Government has also financed similar projects in Zimbabwe and Gambia.

Vice Foreign Minister Meets Mauritian Minister

OW1602122892 Beijing Central People's Radio
Network in Mandarin 1700 GMT 15 Feb 92

[From the "International News and Current Events" program]

[Text] In Mauritius, visiting Chinese Vice Foreign Minister Yang Fuchang had a working meeting with Mauritian Foreign Minister Berenger 14 February. They discussed bilateral relations, the international situation, and other issues; and shared identical views on the issues they discussed.

The Mauritian foreign minister noted that relations between his country and China have developed healthily in various fields, and hoped that the two countries will continue and expand their relations.

The Chinese vice foreign minister expressed appreciation for Mauritius' reiteration of its one-China stance and support for the restoration of China's GATT membership.

Regarding the international situation, Berenger said: Although the global tension has eased, problems and dangers remain.

Yang Fuchang said: Under the current turbulent and volatile international situation, the large number of developing countries should further unite and strive to establish a fair and reasonable new international order based on the Five Principles of Peaceful Coexistence.

Discussing human rights, Berenger pointed out: The issue of human rights should not be used as a pretext to interfere in other countries' internal affairs.

The Chinese vice foreign minister emphasized: The right to subsistence and development is the most fundamental and important human right to developing countries. It is impossible to impose one social system, economic mode, or value concept on all countries.

Latin America & Caribbean

Beijing Reception Marks Sino-Mexican Anniversary

Textile Minister, Others Attend

OW1402132592 Beijing XINHUA in English
1257 GMT 14 Feb 92

[Text] Beijing, February 14 (XINHUA)—Ignacio Rios Navarro, chargé d'affaires ad interim of the Mexican Embassy in China, gave a reception at China World Hotel here this evening in celebration of the 20th anniversary of the establishment of diplomatic relations between Mexico and China.

Among those present were Chinese Minister of Textile Industry Wu Wenyi, Vice-Minister of Foreign Affairs Tian Zengpei and officials of other departments concerned.

Both Rios and Tian proposed toasts at the reception, hoping that friendly relations and cooperation between the two countries and friendship between the two peoples would be consolidated and grow further.

At the reception Rios also read out a letter of congratulation written by Mexican President Carlos Salinas to Chinese President Yang Shangkun for the anniversary.

Diplomats Celebrate 20-Year Ties

OW1502020492 Beijing XINHUA in English
2340 GMT 14 Feb 92

[Text] Mexico City, February 14 (XINHUA)—A variety of activities are being carried out in Mexico City to celebrate the 20th anniversary of the establishment of diplomatic relations between Mexico and China.

At a breakfast in honor of the occasion hosted here today by the Mexican Council of Enterprises on International Affairs, Chinese Ambassador to Mexico Huang Shikang

recalled the growing friendship and relations of cooperation between the two countries since they established diplomatic relations on February 14, 1972.

These relations, especially those in trade and economy, have been developing in a "fully satisfactory" manner, he stressed.

China is diversifying its commercial and economic relations with the outside world by attaching greater importance to its contacts and interchange with developing nations including Mexico and other Latin American countries, the ambassador said.

Huang outlined brilliant possibilities for the further development of economic and commercial ties between Mexico and China "because their economies are mutually complementary."

He quoted latest statistics to show that bilateral trade increased in value from 12 million U.S. dollars in 1972 to about 300 million dollars last year.

Messages of greetings on the anniversary have been exchanged between Mexican President Carlos Salinas de Gortari and Chinese President Yang Shangkun and between Mexican Foreign Minister Fernando Solana and his Chinese counterpart Qian Qichen.

A commemorative roundtable will be sponsored by the famous College of Mexico here tonight with the participation of Mexican Sinologists and Chinese and Mexican diplomats.

Mexican Vice Foreign Minister Andres Rozental will hold a commemorative party here next Monday to be attended by Mexican officials, Chinese diplomats and representatives of scholars and other Mexicans who have had links with China.

Officials Mark Sino-Argentine Relations

Ties To Develop 'Further'

OW1702082392 Beijing XINHUA in English
0756 GMT 17 Feb 92

[Text] Beijing, February 17 (XINHUA)—The twentieth anniversary of the establishment of diplomatic relations between China and Argentina was marked at a reception here today.

Present were Wang Hanbin, vice-chairman of the Standing Committee of the National People's Congress and leading officials from the Foreign Ministry, Ministry of Culture, and Ministry of Foreign Economic Relations and Trade.

Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC), and Carlos Blanco, Argentine Ambassador to China, proposed toasts at the reception.

Expressing satisfaction at the smooth growth of the Sino-Argentine relations, they were confident that the

friendship between the Chinese and Argentine people would be further consolidated and developed.

The reception was jointly held by CPAFFC and the China-Latin America Friendship Association.

Qian Qichen Attends Banquet

*OW1702151592 Beijing XINHUA in English
1337 GMT 17 Feb 92*

[Text] Beijing, February 17 (XINHUA)—Argentine Ambassador to China Carlos Blanco held a banquet here this evening to mark the 20th anniversary of the establishment of diplomatic relations between Argentina and China.

Chinese State Councillor and Foreign Minister Qian Qichen was among those present.

Qian and Blanco proposed toasts at the banquet, expressing the hope that the friendly relations between the Chinese and Argentine peoples would be further deepened and developed.

Yang Shangkun Hails Anniversary

*OW1802025192 Beijing XINHUA in English
0220 GMT 18 Feb 92*

[Text] Beijing, February 18 (XINHUA)—Chinese President Yang Shangkun today hailed the 20th anniversary of the establishment of diplomatic relations between China and Argentina.

In a message of congratulations to Argentine President Carlos Saul Menem, Yang said, "Through the joint efforts of the two sides in the last 20 years, satisfying progress has been made in exchanges and cooperation between China and Argentina in various fields."

He expressed the belief that such friendly cooperation, which is based on the five principles of peaceful coexistence, will be further strengthened.

Meanwhile, Chinese State Councillor and Foreign Minister Qian Qichen also sent a message of congratulations to his Argentine counterpart, Guido di Tella, on the occasion.

Qian wished continuous development of friendly cooperation between the two countries and traditional friendship between the two peoples.

Delegates Visit Cuba for Bilateral Trade Talks

Officials Sign Protocol

*OW1902093292 Beijing XINHUA Domestic Service
in Chinese 0736 GMT 19 Feb 92*

[Text] Havana, 18 Feb (XINHUA)—China and Cuba signed here today a protocol between their governments on bilateral trade in 1992.

He Chunlin, deputy secretary general of the Chinese State Council, and Ricardo Cabrisas, Cuba's minister of foreign trade, signed the protocol on behalf of their respective governments.

Speaking at the signing ceremony, Cabrisas said: Over the past several years, Cuba and China made great progress in bilateral trade, posting \$420 million in total trade volume in 1991.

Castro Stresses Foreign Investment

*OW1902092192 Beijing XINHUA Domestic Service
in Chinese 0758 GMT 19 Feb 92*

[By reporter Ni Runhao (0242 3387 3185)]

[Text] Havana, 18 Feb (XINHUA)—Fidel Castro, President of the Council of State of Cuba, emphasized here on the evening of 17 February: Cuba will open itself wide to the outside world to seek foreign capital funds, technology, and markets.

Castro made these remarks at a reception given by the Chinese ambassador to Cuba, Chen Jiuchang, in honor of a Chinese Government economic and trade delegation headed by He Chunlin, deputy secretary-general of the State Council.

Castro said: Cuba promulgated a decree on Cuban-foreign joint ventures 10 years ago, and the decree has entered the stage of implementation now.

Showing great interest in China's economic construction, Castro asked He Chunlin about the detailed situation of China's reform and opening to the outside world, and the development of its special economic zones. Castro said that Cuba will send personnel to China's special economic zones to study and run joint ventures there.

The Chinese Government economic and trade delegation arrived in Havana on 16 February to attend the fourth meeting of the Chinese-Cuban combined economic and trade committee.

Political & Social

Zhuhai Mayor Describes Deng's Inspection of SEZ

HK1702092592 Hong Kong *WEN WEI PO* in Chinese
17 Feb 92 p 3

[“Special Article” by staff reporter Su Hung-ju (5685 7703 0320): “With Life-Giving Spring Breeze and Rain, We Should Carry Out Another Great Plan—Special Interview With Mayor Liang Guangda at Zhuhai Lunar New Year Party”]

[Text] Deng's Inspection Tour Inspires Public

Deng Xiaoping took a seven-day inspection tour of Zhuhai before the Spring Festival. During the inspection tour, Deng highly appraised and affirmed the development of the Zhuhai special economic zone [SEZ]. Deng instructed people from all walks of life in Zhuhai to continue to run well the SEZ and scale a new height in its development. The people from various Zhuhai circles have been inspired by Deng's visit. Moreover, the inhabitants in Zhuhai have had a very special Spring Festival.

At the Lunar New Year party held by the Zhuhai government yesterday, Liang Guangda, secretary of the Zhuhai party committee and mayor, gave an interview to this reporter. During his week-long inspection tour of Zhuhai, Liang Guangda said, Deng showed great interest in the development of the SEZ. He almost forgot his rest. During the activities, Deng did not show the slightest degree of weariness. He also had a keen train of thought. His weeklong activities have totally refuted the slanderous rumors spread abroad.

Put Students Who Have Returned After Completing Their Studies Abroad in Important Positions

During the trip, Liang said, Deng wanted to know the actual situation of the SEZ personally set up by him. While in Zhuhai, Deng had contacts in various fields. He visited a number of factories, urban construction projects, and investment environments. He also exchanged views with entrepreneurs and intellectuals. He was very happy to see students returning from abroad placed in important positions. The gate of the motherland is always open to our students abroad, he said; the motherland welcomes you back after your studies. You will be placed in important positions and you have the freedom to enter and leave the country. Deng Xiaoping pointed out that Chinese nationals can only be regarded as second class citizens if they stay there. Now many foreign businessmen have realized the great potentials of China's market and they have come one after another to invest. So long as they return to work for the motherland after completing their studies abroad, there will be plenty of scope for their talent.

Rewarding Talented People With Houses and Cars

To run the SEZ's economy well and do a good job of other work, Deng said after his inspection tour, the most

important thing is to develop science and technology. Only by vigorously developing the latest science and technology can we revitalize the Chinese nation. Development of the SEZ should continue. You should unswervingly and speedily accelerate the growth and lose no opportunity to forge ahead. As enterprise development constitute the leading factor of economic development, it is necessary to further invigorate enterprises.

Liang Guangda disclosed that Zhuhai will sponsor a national innovation activity in March this year, presenting material reward to a number of scientists and technicians who have made contributions. Every rewarded scientist and technician will get a residential flat, a car, and a certain amount of cash. In addition, Zhuhai will introduce a plan for encouraging scientific and technological personnel, formulate some policies for the development of the SEZ in light of the directives of Deng Xiaoping and other leaders, and promote development of the SEZ to a new level.

Zhuhai and Macao Should Complement Each Other

At the Lunar New Year party held by the Zhuhai government yesterday, Liang Guangda said that Zhuhai attained satisfactory achievements last year, importing more than 700 investment projects. With a rise of over 67 percent, the city's economy developed comprehensively. Zhuhai is now at a new historical period. In the days greeting the return of Macao to the motherland, Zhuhai and Macao should complement each other. Both sides should make further headway based on the existing foundation. In his address to the party, Wang Guozhang, first deputy director of XINHUA NEWS AGENCY Macao branch, said that the key to the smooth transfer of government lies in mutual development of both sides in the new historical period. Besides leaders from various levels in Zhuhai, the persons in charge of the offices set up by domestic organizations in Macao and well-known social figures from various Macao circles totaling over 100 attended yesterday's party. They include Ma Wanqi, president of the Chinese Chamber of Commerce in Macao, celebrity Stanley Ho, and Li Chenjun, director of MACAO DAILY.

Li Peng Recommends Shenzhen Development Strategy

HK1902073492 Hong Kong *WEN WEI PO* in Chinese
19 Feb 92 p 2

[By staff reporter Chen Chien-ping (7115 1696 1627): “Li Peng Talks About Shenzhen's Development Direction, Hopes for Coordination With Hong Kong's Characteristics”]

[Text] Beijing, 18 Feb—An authoritative person here disclosed that Premier Li Peng indicated days ago that the Shenzhen Special Economic Zone should focus its efforts on the development of hi-tech industry, adding that the central authorities will provide financial support

for this. The central authorities hope for better integration between Shenzhen's and Hong Kong's characteristics to stimulate further economic growth through this development, Li Peng said.

This authoritative person said: While talking about the Shenzhen Special Economic Zone's development direction days ago, Li Peng indicated that the central authorities had required the zone to observe the following three directions for its development: First, it should take serious account of developing hi-tech industry; second, it should make major efforts to develop the tertiary industry, including stock markets; and third, it should be active in exploring foreign trade.

This authoritative person quoted Li Peng as saying: In the past, Shenzhen experienced a development process from low to high; from tourism to the "three come's and one compensation," and then gradually to developing industry. But the processing industry still remains the main form, with an output value of over 23 billion yuan. Therefore, from now on it should develop hi-tech industry. There are many inventions and creations in China, but most of them have not been industrialized. To introduce high technology and industrialization, there should be a certain environment and certain living conditions. Shenzhen is equipped with this environment and living conditions.

On the basis of not giving up its tourism or processing industry and in the course of improving its tourism, upgrading its processing industry, and enhancing its efficiency, Shenzhen should gradually increase the percentage of its hi-tech industry, Li Peng said. The state will provide financial support for this. Li Peng said: Hong Kong has strong points in the financial and trade fields; if Shenzhen develops hi-tech industry, Shenzhen and Hong Kong will complement each other and develop together.

This authoritative person said that Li Peng had spoken highly of Shenzhen's tourist development programs, including "Splendid China" and the "Chinese Folk Cultural Village," and pointed out that Shenzhen should continue to develop along this direction. It should develop the tertiary industry including financial business, commerce, information, and communications. Li Peng said: The central authorities do not object to running stock markets. As an experimental city in setting up stock markets, we hope Shenzhen will gain experience in this respect.

On Shenzhen's foreign trade orientation, Li Peng said: Shenzhen has enjoyed many preferential policies, but the introduction of foreign trade structural reform and equal policies may produce a certain impact on Shenzhen. Li Peng pointed out that this is only a temporary situation; as a port, Shenzhen will have quite good prospects as long as it strives to reduce its production costs, provides quality service, and is active in exploring new markets.

Paper Views Wang Zhen's Political Role, Deng Ties
HK1902071692 *Hong Kong SOUTH CHINA MORNING POST* in English 19 Feb 92 p 19

[By Willy Wo-lap Lam]

[Text] While the world's focus in the past month has been on Deng Xiaoping, the "liberal patriarch" who emerged from a one-year absence from public view to preach the gospel of reform, it is instructive to look at the life and times of Wang Zhen, whose recent bout of ill-health forced the hardline elder to end his almost daily appearances in the media limelight.

The symbiotic relationship and inter-dependency between Mr Deng and Mr Wang—who seem to occupy opposite ends of the political spectrum—explain much about events in China in the past 10 years.

Vice-President Wang, 83, who has cancer, has been hospitalised since late November for acute bronchial ailments. His doctors are giving him a 50-50 chance of recovery.

While Mr Deng was making his big splashes in Shenzhen, Zhuhai and Shanghai in the past few weeks, however, the Chinese media has not forgotten about Mr Wang.

First of all, the national press has never admitted that the elder was ill. The official news outlets broadcast the Vice-President's Lunar New Year message. A few days ago, it was announced that Mr Wang would be guest of honour at a forthcoming athletic meeting for the handicapped.

Why is Mr Wang, who has a deserved reputation as a diehard reactionary deemed indispensable to the body politic? And why at a time when Mr Deng is painstakingly pushing his "second wave of reform," should the patriarch still find Mr Wang useful?

The political views of the former general, who retired from the Politburo and the Central Committee in 1985, are well-known.

At the height of the short-lived student demonstrations in December 1986—considered a forerunner of the 1989 democracy crusade—it was Mr Wang who first mentioned the "military option".

Along with the Chinese Communist Party (CCP) Secretary of Beijing, Li Ximing, Mr Wang was an early advocate of the armed suppression of the 1989 protests.

An internal video taken by the military showed Mr Wang inspecting the scene of the "cleared-out" Tiananmen Square around 6 am on June 4.

No less shocking was Mr Wang's suggestion soon after the massacre that Beijing should send all "bourgeois-liberal intellectuals" into permanent exile in northwest Xinjiang Province.

Aside from Mr Wang's negative contributions to China's international image, the Vice-President would seem to be a liability to Mr Deng because of his lukewarm support for the post-Tiananmen Square set-up.

That arrangement was centred upon making the relative neophyte, former Shanghai Party secretary Jiang Zemin, the "core" of the third-generation leadership.

Wang, however, repeatedly referred to both Mr Jiang and Premier Li Peng as the "twin core" of the post-Deng Xiaoping era.

Together with other Long-March veterans, Mr Wang has also been an opponent of the only political reform Mr Deng has been prepared to implement since June 4: the abolition of the Central Advisory Commission and the retirement of the octogenarians.

There are obvious reasons why Mr Deng would value Mr Wang. The retired general still commands allegiance in important sectors of the army.

It was Mr Wang who "liberated" Xinjiang, or one-sixth of China, in 1950. And the general stayed behind to oversee the building up of the infrastructure of the autonomous region.

Equally important, despite his staunch conservatism in ideological matters, Mr Wang is an ardent supporter of certain aspects of economic reform.

Like President Yang Shangkun, another ally of Deng's Mr Wang lent his authority to the setting up of the Special Economic Zones [SEZ] in the late 70s. The Vice-President was also an early supporter of plans by ousted party chief Zhao Ziyang to develop Hainan Island into a fullfledged province as well as China's largest SEZ.

With the exception of the past few months, Mr Wang has since the mid-80s spent the winter in a posh villa in the Zhuhai SEZ.

The Hong Kong press has written in detail about the lavish lifestyle led there by Mr Wang and his huge entourage. However, Zhuhai leaders probably think one supportive word from the elder—for example, the Vice-President gave his blessings for a new airport on Sanzao Island—is worth several million yuan.

Equally significant, despite his frequent tantrums and antics, Mr Wang has remained loyal to Mr Deng.

One recalls the famous episode in late 1987, when, in protest against efforts by Mr Zhao to rein in the campaign against bourgeois liberalisation, Mr Wang said he would resign and "take my luggage to comrade Xiaoping's home".

The threat of resignation—and not of revolt—signalled a recognition of Mr Deng's ultimate authority.

Mr Wang's value for Mr Deng is reflected in the fact that of the so-called Eight Immortal Elders, the patriarch

could only count on President Yang, the Vice-President, and elder Bo Yibo for unquestioned support.

Yet Mr Wang's usefulness goes further. In terms of his general support for the open-door policy and his antipathy for political liberalisation, the Vice-President is almost Mr Deng's alter ego. And the patriarch, who is obsessed with his reputation in the West, has readily tapped Mr Wang for the role of lightning rod, bully boy, and, in the case of June 4, butcher.

Mr Wang figured prominently in the "enlarged politburo meeting" in mid-January 1987 that fired the late party chief Hu Yaobang.

While Mr Deng had decided that he had to sacrifice his anointed heir, the patriarch did not want to dirty his fingers with the unconstitutional ousting of Mr Hu. The same applies to the military action against the students on the night of June 3, which was partially supervised by Mr Wang.

For this and other services rendered, Mr Deng has at least acquiesced in the fact that Mr Wang, whose vice-presidency is supposed to be purely ceremonial, has meddled in affairs of state ranging from arms sales to culture.

Through such of his proteges as Acting Culture Minister He Jingzhi and social scientist He Xin, Mr Wang has imposed a veritable reign of terror on liberal writers and artists.

The Deng-Wang relationship is evidence that, even assuming that Mr Deng has the dominant say in personnel matters in the run-up to the 14th Party Congress later this year, the patriarch will favour a line-up that represents a balance between liberal and conservative forces.

Even if he survives his current health crisis, Mr Wang is due for retirement at the 14th Congress.

There have been persistent rumours since the mid-80s that, as a showcase for democracy, the CCP might elevate a non-Communist politician to the vice-presidency. Given Beijing's continued insistence on the "absolute leadership of the party", however, this is a distant prospect.

Third Art Festival Opening Day Events Described

OW1802195892 Beijing XINHUA Domestic Service
in Chinese 1308 GMT 19 Feb 92

[By RENMIN RIBAO reporter Ren Weidong (0117 4580 2639) and XINHUA reporter Luo Ping (5012 5393)]

[Excerpts] Kunming, 18 Feb (XINHUA)—The Third Chinese Art Festival, a grand festival of the Chinese nation which is also called the Lantern Festival, opened today in Kunming.

Party and state leaders wrote inscriptions for the art festival. Jiang Zemin's inscription reads: "Build Socialist Culture with Chinese Characteristics"; and Li Peng's inscription reads: "Unity, Prosperity, Progress." Song Renqiong and Liao Hansheng also wrote inscriptions.

Looking clean and beautiful in spring, the festive city of Kunming, with its streets, big and small, decorated with lanterns and colored streamers, and with flowers blooming everywhere, extended its warm welcome to over 50,000 literary and art workers of all nationalities and guests from other parts of China and from foreign countries.

At 0930 [0130 GMT], Wan Li, chairman of the Standing Committee of the National People's Congress and honorary chairman of the Third Chinese Art Festival, was the first to speak, announcing the opening of the festival and extending cordial regards to the literary and art workers of all nationalities from all parts of the country and to the Chinese and foreign guests who have come to take part in the festival. As the sound of a gun salute shook the blue sky, 20,000 balloons soared into the air. [passage omitted]

Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and chairman of the Third Chinese Art Festival, spoke at the opening ceremony. He said that this art festival will rely mainly on ethnic arts to demonstrate the cultural and artistic achievements scored by China's minority nationalities in recent years. He added that the festival will demonstrate the spirit of the people of all nationalities of China, who, in building socialism with Chinese characteristics, have been fighting in unity and breathing the same air, sharing the same fate, and interlinking their hearts under the leadership of the CPC. This festival will have a positive impact on further enhancing our fine national culture, our national spirit, and our national unity; on promoting reform and opening to the outside world; and on advancing economic construction and the building of a socialist spiritual civilization. In his speech Li Tieying expressed his sincere expectations of the literary and art workers and wished the festival complete success. [passage omitted]

On behalf of the Yunnan Provincial CPC Committee, the provincial government, and the 37 million people of all nationalities of Yunnan, He Zhiqiang, governor of Yunnan, deputy secretary of the Yunnan provincial party committee, and vice chairman of the art festival, warmly welcomed the Chinese and foreign guests. He said that the cultural and artistic activities of this art festival, economic, trade, scientific, and technological exchanges, and tourism will further strengthen Yunnan's friendship with other fraternal provinces and regions and with the peoples of other countries and will boost the province's reform and opening to the outside world and contacts with foreign countries.

Yu Qiuying, a young female of the Hezhen nationality from Heilongjiang Province in Northern China, spoke

on behalf of the literary and art workers of all nationalities of the country, pledging to fulfill all the tasks of this art festival with the greatest amount of enthusiasm, the most refined arts, and the highest sense of organization and discipline and to make still greater contributions to enhancing the fine culture of the nation.

Led by five-star red flags, over 8,000 representatives of all nationalities marched past the meeting place of the opening ceremony and past Dongfeng Street, which crosses the city of Kunming, in the midst of music. [passage omitted] The 56 nationalities, irrespective of the size of their population, performed their best national dances in the procession by turn. [passage omitted] The national dances of varied styles, in harmony with the melody of "56 Flowers for 56 Nationalities," showed their extraordinary splendor and climaxed one after another. [passage omitted]

The opening ceremony ended amid the three-large-strings dance performed by 400 people and the strains of the chorus "Guests From the Distant Land Please Stay" performed by 3,000 people.

Attending the opening ceremony were also Ngapoi Ngawang Jigme, Seypidin Aizezi, Liao Hansheng, Ismail Amat, Pu Chaozhu, Wu Jinghua, and Gao Zhanxiang.

The art festival was sponsored jointly by the Ministry of Culture, the State Nationalities Commission, and the Yunnan provincial government, and it was undertaken by the Yunnan provincial government. Activities such as literary and art performances, exhibitions, cultural exchanges, and gala garden parties will be held during the art festival. Economic, trade, scientific, and technological exchanges and negotiations will be held at the same time. The festival will end on 3 March.

Wan Li Delivers Opening Speech

HK1902104392 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 18 Feb 92

[Excerpts] [Passage omitted] Today's opening ceremony was presided over by Comrade Gao Zhanxiang, executive vice minister of culture and chairman of the Third China Art Festival Organization Committee. [passage omitted]

Comrade Wan Li, member of the CPC Central Committee Political Bureau, chairman of the National People's Congress Standing Committee, and honorary chairman of the Third China Art Festival, delivered the opening speech. He said: Comrades and Friends, I now declare the Third China Art Festival open! I would like to take this opportunity to extend cordial greetings to literary and art workers of various nationalities across the country as well as to distinguished guests from all over the world who are present at today's ceremony! I wish complete success to the Third China Art Festival! [passage omitted]

Li Tieying Speaks

OW1802223592 Beijing XINHUA Domestic Service
in Chinese 1319 GMT 18 Feb 92

[“Comrade Li Tieying’s Speech Delivered at the Opening Ceremony for the Third Chinese Art Festival on 18 February”—XINHUA headline]

[Text] Kunming, 18 Feb (XINHUA)—Comrades and friends:

The Third Chinese Art Festival, which has attracted the attention of people at home and abroad, has solemnly opened in Kunming, this beautiful border city of China! On behalf of the party Central Committee and the State Council, I extend my warm congratulations to you! I also extend cordial regards to the literary and art workers from the 56 nationalities in the country’s 30 provinces, autonomous regions, and municipalities directly under the central government and to the masses taking part in the activities of the art festival! I warmly welcome the artists in Taiwan and Hong Kong who for the first time sent a delegation to participate in the festival, the art troupes and artists of various countries participating in this festival, as well as the guests from other parts of China and from foreign countries!

The holding of the grand Third Chinese Art Festival is an important event in the cultural life of the people of all nationalities in our country. This festival will rely mainly on ethnic arts to demonstrate the cultural and artistic achievements scored by China’s minority nationalities in recent years and to demonstrate the spirit of the people of all nationalities of China in building socialism with Chinese characteristics by fighting in unity and by breathing the same air, sharing the same fate, and linking heart to heart under the leadership of the Communist Party of China. This festival will have a positive impact on further enhancing our fine national culture, our national spirit, and our national unity; on promoting reform and opening to the outside world; and on pushing forward economic construction and the building of a socialist spiritual civilization.

Comrades and friends, the 1990’s will be a critical period in our country’s socialist modernization drive. We should rally more closely round the party Central Committee with Comrade Jiang Zemin as the core, unwaveringly implement the party’s basic line of “one center, two basic points,” and strive to build socialism with Chinese characteristics. We should continue to adhere to the orientation that literature and art should “serve the people and socialism” and the principle of “letting a hundred flowers blossom and a hundred schools of thought contend”; continue to carry forward our nation’s fine traditional culture; absorb the outstanding cultural achievements of the world; enrich and develop socialist literary and art creation; and create rich and varied literary and art works for the people.

In conclusion, I wish the festival complete success! I hope that it make new contributions to the prosperity of our country’s socialist cause.

Gyaincain Norbu Views Tibet’s Development, Religion

HK1202021492 Beijing RENMIN RIBAO in Chinese
24 Jan 92 p 3

[“Tibet in Progress” column: “Tibet is Very Promising—Tibet Autonomous Regional Chairman Gyaincain Norbu Answers Reporters’ Questions”; interview with Gyaincain Norbu by staff reporter Liao Dongfang and ZHONGGUO XIZANG [TIBET CHINA] reporter Danbalamu (0030 1572 2139 1191) in his office in Tibet; date not given; RENMIN RIBAO notes article is “simultaneously carried in the spring 1992 issue of ZHONGGUO XIZANG”]

[Text][Reporter] Chairman, are you satisfied with the autonomous region’s economic situation in 1991? What aspects are you satisfied and dissatisfied with? [Gyaincain Norbu] I am basically satisfied with it. In 1991, which was one of the four consecutive years Tibet’s agriculture had a bumper harvest, grain output reached 580,000 tonnes, an increase of 4.5 percent over 1990. Despite the great disaster caused by a snowstorm in 1990, the animal husbandry output developed well, with 500,000 heads of young flocks and herds surviving the disaster, or a survival rate of over 80.5 percent. It is estimated that total agricultural output value, calculated in terms of 1990 prices, had an increase of 4.3 percent. As for the comprehensive development projects for the three rivers (namely the Yarlung Zangbo Jiang, Lhasa He, and Nyang Qu He), which are included in the state’s Eighth Five-Year Plan, more than 20 items were carried out in 1991, most of which were completed with satisfactory results. We will gradually build these places into bases for commodity grain, nonstaple food, and textiles and other light industries, as well as technology promotion and demonstration bases. All the 3,357 projects for the development of the Lhasa He valley are proceeding smoothly. The runway enlargement project for the Gonggar Airport has been completed. The Xigaze-Darjeeling [ri da 2480 1129] section of the China-Nepal Highway is now being surfaced. The task for the Yamzho Yumco power station project planned for 1991 has been completed ahead of schedule. Enterprises including the Yangbayain Geothermal Power Plant, the Luobusha [5012 1580 5446] Chromium and Iron Mine, and the Lhasa Cement Factory overfulfilled production quotas. Foreign trade and exports have earned good foreign exchange. Tourism has once again been revived. In 1991, we received 16,000 tourists from at home and abroad. Due to the development of the economy, people’s living standards have gradually improved. In 1991, the region’s per-capita income reached 455 yuan, 25 yuan more than the 430 yuan in 1990. Judging by the above situation, I think Tibet’s economic situation is still okay, although there are unsatisfying aspects in it. Tibet’s market is narrow and various restricting factors abound. The shortage of energy in particular restricts industrial and

agricultural development. Tibet has a weak foundation, and it would be very difficult to improve it greatly in a short time. Therefore, developing the economy, activating the market, and improving returns are the major points in our government's work for 1992. [Reporter] What economic development items is the autonomous regional government going to carry out in 1992? And what actual benefits will these items bring to the Tibetan people? [Gyaincain Norbu] In 1992, the total investment in fixed assets was primarily fixed at 1.1 billion yuan and a local budgetary investment of 150 million yuan will be arranged. Prefectural and city self-raised investment will reach 80 million yuan, bank loans 10 million yuan, and collective and individual investment 90 million. Forty-five were items submitted to higher authorities for approval. Of these, most are agricultural, animal husbandry, energy, transportation, and industrial ones. For the sake of improving Tibet's transportation, the state will invest 1 billion yuan to gradually improve the Sichuan-Tibet Highway. The state will also invest 300 million yuan to solve the problem of frozen soil on the Qinghai-Tibet Highway. The preliminary phase of the Bangda Airport project is now in progress and its runway will soon be built. It is a very large project. Medog County, China's only county inaccessible by highways, is at the edge of the Eurasian Plate. Its geology is complicated and its earth stratum is weak. Here earthquakes are comparatively frequent and debris flows are numerous. In 1990, we repaired as much as 108 kilometers of a highway. However, due to the backwash of debris flows in 1991, repairs retreated back to 80 kilometers. This highway has a bearing on the immediate interests of the Medog and Luoba ethnic minorities. Therefore, we must strive to open it to traffic.

In 1992, we must continue to vigorously develop energy and solve the problem of energy shortages in particular. We will continue to stick to the principle of developing mainly hydropower. Moreover, we will develop some geothermal power, solar power, and wind power projects. Only by vigorously developing energy can we continually meet the needs of our region's economic development, of industrial and agricultural production, and of people's livelihood. We will expedite development of the Yamzho Yumco power station and its matching energy projects, and vigorously develop Yangbayain's deeper-stratum geothermal resources. At present, 19 counties in our region still do not have power supply, and some have hydropower resources while others do not. We will gradually solve the electricity problem.

The preliminary phase of the Nanqu prefecture's Chalong [2686 7893] Power Station project has begun. When completed, it will play an important part in resolving the electricity problem of the people in northern Tibet.

Tibet is rich in mineral resources and has a unique ethnic handicraft industry. We will make the most of these advantages and exploit chromium mines, borax, and szaibelyite.

We will continue to attach importance to the comprehensive development of the three rivers, and we plan to invest 100 million in them. Our principle is that we should succeed in all of our items and enable them to bring economic returns and social efficiency. [Reporter] For boosting Tibet's economy, which questions, do you think, should be emphasized? [Gyaincain Norbu] I think we should emphasize science, technology, and education, as well as a stable situation. Comrade Deng Xiaoping once said that science and technology are the first productive force. This is completely correct. We send over 2,300 scientific and technical personnel to work with peasants and herdsmen in scientific fields. Dailungdeqen is one of the science and technology demonstration counties.

We must rely on science and technology and education to invigorate Tibet. Without science, technology, and education, it would be impossible to develop Tibet. At present, Tibet has people-run primary schools, and public primary schools, secondary schools, special secondary or technical schools, and universities. Moreover, there are Tibetan classes in 22 provinces and cities in the hinterland which had 8,800 students at the end of 1990. These schools have been established in recent years. We are making estimates for talented people and provide training for them according to plans and needs. In so doing, we can avoid being indiscriminate. At present, nearly 200,000 students are at school in the entire region, which is not a small number. Now the most important thing to do is to enable them to become useful and skilled people. I believe we find a satisfactory solution to the problem of talented personnel in Tibet only by doing the job step by step.

The following problems exist in our region's education: First, regarding the problem of funds, we have already singled out educational funds. They account for 15 percent of the region's budgetary expenditures which are still far short of that required in Tibet's educational undertakings. For example: Local key secondary and primary schools guarantee three things in education which are still of a very low standard. Second, regarding the problem of teachers, at present, the region conducts bilingual education. There is no problem in conducting education in the Tibetan language in primary schools. But the problem is rather great when the Tibetan language is used for subjects like mathematics, physics, and chemistry in secondary education. We maintain that the question of education is mainly one of teachers. We are taking measures to solve this problem.

The biggest factor in developing the economy is a stable situation. Stabilizing the situation is good for economic development. Therefore, stabilizing the situation and developing the economy will continue to be our region's major tasks for some time in the future. [Reporter] I know that some places in Tibet are comparatively slow in economic development. What measures is the autonomous regional government going to take to change this situation? [Gyaincain Norbu] During the four decades since our region's peaceful liberation, and especially over

the past 10 years of reform and opening up, there has been a fundamental change in the living standards of the Tibetan people. One can more or less see the burgeoning and wealthy new villages, towns, and townships everywhere along the Lhasa He valley. Nonetheless, the poor and backward outlook cannot be changed within a short time. People in some places are rather poor. We have launched vigorous campaigns to help the poor and have now helped 300,000 people escape poverty. Viewing Tibet as a whole, 15 percent of the total population still consists of poor households. To put it in terms of the total population, approximately 200,000 to 300,000 people still live in poverty, while the remainder are improving from having just enough food and clothing to leading a comparatively well-off life. Many peasants and herdsmen have built new houses. Their barns are full of grain. Some have purchased transportation and farm trucks and tractors and some comparatively high-quality daily necessities.

In addition to helping the poor, we must help them with good methods. The popular saying that "if one is poor, one has no effective way out" is true. As far as our region's situation is concerned, the population growth rate and production rate are basically the same. In the past, Nanqu's per-capita flocks and herds were 30 heads, and now the number remains unchanged.

We have made arrangements to resolve the problem of poor households within a short time. Each poor household has to work out a plan to rid itself of poverty, while the state will render support in terms of funds, supplies, and information, and give guidance according to different categories. Moreover, we also suggest that people use the collective strength to find new ways of production, such as planting medicinal herbs, setting up in business, and developing special local products. In this way, it is estimated that by the year 2000, people at large in Tibet will basically be able to lead a comparatively well-off life, while a few villages will have only solved the problems of food and clothing. [Reporter] What achievements have the government of the autonomous region obtained in implementing its religious policy since the reform and opening up?

What does the government plan to do in the future with respect to repairing temples and monasteries, restoring traditional religious festivals, and safeguarding the people's normal religious life? [Gyaincain Norbu] Since the reform and opening up, we have conscientiously implemented the religious policy. At present, in our region, there are 1,425 monasteries, temples, and sites for religious activities and some 34,000 Buddhist monks and nuns. All normal religious activities and important religious festivals of all denominations have been restored. We have implemented the policy and made appropriate arrangements for upper-stratum religious personalities. According to a rough estimate, in order to implement the policy for monasteries and temples, nearly 200 million yuan were spent. At present, Tibet's monasteries, temples, religious buildings, and places for religious activities can basically meet the need of believers. However, as

far as the various denominations are concerned, the policy still needs to be modified and some famous monasteries and temples along the border still need to be restored. We will implement the religious policy in an all-round way by both guaranteeing the freedom of religion and the freedom of belief in all different denominations and protecting the people's freedom of not professing a religion. People generally hold, as if it were true, that nonbelievers are not of the Tibetan nationality. This is incorrect and is out of keeping with the Buddhist creed. Religion cannot interfere in education, adjudication, administration, and marriage, as these things are carried out according to state law. In order to implement the policy of freedom of religious belief in an all-round way, we should conscientiously manage all sorts of religious activities in monasteries and temples according to relevant regulations so that the "monasteries and temples can support themselves" and that they can be provided with some conditions to engage in business, livestock farming, and farming. In order to bring into full play the role of religious personalities, we should first properly set up democratic management committees for monasteries and temples. Moreover, we should pay attention to uniting the Buddhist abbots, scripture teachers, and old lamas, and bring into full play their role in loving the country and the Buddhist religion. Although we welcome devout believers to carry out normal religious activities on the premise of safeguarding the unity of the motherland and consolidating nationality unity, we also cannot tolerate or turn a deaf ear to illegal religious practices. As the late Panchen Lama once said: "Monasteries, temples, and lamas should be like what they are. You can read your scriptures, practice soul-releasing rituals, and preach the Buddhist message. But you must not carry out separatist activities or engage in turmoil!" [Reporter] At present, many overseas Tibetan compatriots come back to Tibet to visit their relatives and friends and see how their hometown has changed. Could you tell me what are the Tibet Autonomous Regional Government's plan and arrangements for them in the new year? [Gyaincain Norbu] Our policy remains unchanged. They can come and go freely. We welcome them to come back to visit their relatives and friends or go sightseeing. We hope all the more that they will make efforts and contributions to the prosperity of their hometown.

Upgrading, Content of Ethnic Affairs Meeting Noted
HK1502044992 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 5, 3 Feb 92 p 2

[“Letter From Beijing” column by Bao Xin (7637 0207):
“Speed Up Pace of Reform and Opening Up in Ethnic Regions”]

[Text] Dear brother:

The Year of the Ram is about to be replaced by the Year of the Monkey. On the occasion of the Lunar New Year,

I extend warm greetings to you and friends overseas. May the Lunar New Year bring you joy, happiness, and fortune.

The Lunar New Year is a happy time for changes. For the Chinese, it is a time for family reunions, family dinners, and hopes for a bountiful new year. To the big family making up the Chinese nation, it naturally means stronger solidarity among the different nationalities and concerted efforts toward the great endeavor of modernization. This was precisely the objective of the central work conference on ethnic affairs held recently in Beijing. In the past, work conferences on ethnic affairs were usually held under the auspices of the State Commission on Ethnic Affairs, but this year, the conference was upgraded and sponsored by the CPC Central Committee and the State Council, an indication of the high regard that the Chinese authorities place on ethnic affairs. More than ever, the changing international situation, great modernization endeavors, and situation in reform and opening up have highlighted the importance of solidarity among all nationalities and ethnic work. History shows that when the country and people are united, politics and the economy will then both flourish; when the country is divided and the people torn by ethnic disputes, the country will then be humiliated, and the people miserable.

This conference on ethnic affairs has attracted attention for the following reasons: 1) The conference defined the principal tasks in China's ethnic affairs for the 1990s; 2) the pace of reform and opening up will be accelerated in the ethnic regions. The principal tasks related to ethnic affairs are in the following five areas: Speed up the economic growth among minority nationalities and the regions they inhabit; vigorously promote social endeavors among minority nationalities and in the regions they inhabit; appropriately speed up the reform and opening up of ethnic regions; uphold and perfect the system of self-rule in ethnic regions; further promote the great solidarity among all nationalities and insist on safeguarding the unity of the motherland.

As these five tasks are mutually linked and are all very important, they should naturally be implemented without prejudice to one or the other. But priorities should also be laid down. At this ethnic affairs conference, it was stressed that the core issue in ethnic affairs is to speed up the various endeavors such as the economy and culture of the minority nationalities and the ethnic regions by creating the conditions for such activity and promote the joint prosperity of all nationalities. In the new historical period, the fundamental task in ethnic affairs is to promote the forces of production in society vigorously. Unless the economy is boosted, self-rule in ethnic regions and solidarity among all nationalities are only empty words. Efforts to speed up the economic and social development of ethnic regions depend primarily on the following three conditions: 1) Continuing support from the state; 2) well-defined support from economically developed regions; 3) self-struggle by the ethnic regions. These three aspects should be coordinated under

a unified plan in order to integrate them organically and form a resultant force. In the future, all existing preferential terms accorded by the state to the minority nationalities and the ethnic regions should be perfected and improved; investments in autonomous ethnic areas should be raised; and well-defined support from more developed regions to underdeveloped regions should be stepped up, with the State Planning Commission taking the lead and the State Commission on Ethnic Affairs and the State Council's Office on Production taking part in order to realize a unified direction and coordinate the work on such support. The state has already explicitly provided that the exploitation of resources, construction of factories and enterprises, and establishment of all kinds of projects and bases in the ethnic regions should be designed to trigger and promote economic development in these regions. This is a question of policy.

Reform and opening up is necessary for the realization of prosperity and affluence for all nationalities. Like other regions in the rest of the country, the ethnic regions should also appropriately step up the pace of reform and opening up starting this year, and increase the proportion of reform and opening up. In this area, it is necessary to liberate thinking further, integrate the unique features of minority nationalities and of ethnic regions, and actively search for a new path for reform and opening up according to the actual situation. The opening of the ethnic regions should, on one hand, be geared toward the country's more developed regions in order to step up horizontal economic links and cooperation at different levels; on the other hand, the opening up of land borders with other countries should be expanded. China has frontiers extending more than 20,000 km, most of which are in the ethnic regions. The countries bordering China can complement China immensely in terms of economic relations and trade as both sides have strong market potentials.

Some principal transportation lines linking the regions with the rest of the country and with foreign countries as well as some border towns and villages with better conditions will be chosen to become windows to the outside world. Commodity trade fairs may be held, either regularly or irregularly, in areas equipped with the conditions for holding such fairs. The ethnic regions should attract foreign capital and establish "foreign-funded" enterprises. Projects which are consistent with the state's industrial policy should be subject to preferential terms, as is the case in the coastal regions. The development of frontier regions should be given the same importance as that accorded the development of coastal regions in order to promote prosperity and stability in the ethnic regions as well as in the frontier regions. At the same time, friendly relations with neighboring countries should be developed even further.

A multi-ethnic country, China has 55 minority nationalities numbering nearly 100 million. Regions which are under the autonomous system make up 64 percent of the country's total land area. This system of self-rule in the

ethnic regions organically integrates the country's centralized unity with autonomy in the ethnic regions. Five autonomous regions, 30 autonomous prefectures, and 124 autonomous counties were set up in the country one after the other, while 1,700 ethnic autonomous villages were also established in regions where minority nationalities either live with other minority groups or are in smaller numbers. This system of ethnic self-rule with Chinese characteristics plays an important role in promoting the growth and stability of the ethnic regions as well as in safeguarding the country's unity.

In the four decades since New China was founded, the 56 nationalities have been of one heart and soul, "without separation from one another," as they make enormous contributions in defending and promoting the integrity, stability, and prosperity of the motherland. More than a decade of reform and opening up have brought about economic development, social progress, and a peaceful life to the ethnic regions. As the reform is deepened and opening up to the outside world expanded, a new situation will open up in ethnic affairs. The great solidarity of the Chinese nation will be further strengthened.

[Signed] Bao Xin
[Dated] 25 January

Minorities Developing Awareness of Law

OW1102011992 Beijing XINHUA in English 0104 GMT
11 Feb 92

[Text] Kunming, February 11 (XINHUA)—Eighteen of the 25 minority nationalities in Yunnan Province have their own lawyers who are proficient in Mandarin Chinese as well as their own language.

Yunnan in southwestern China ranks first in terms of the number of ethnic groups in China. People of ethnic minorities amount to 12.34 million, accounting for one third of the provincial population.

Due to historical reasons, many ethnic people had little sense of law only a few decades ago: Legal disputes or even criminal cases would be settled by a reputed old villager or by a clan head. Divorce cases involved the husband and wife simply breaking a chopstick or cutting a rope to end relations.

Thanks to nationwide publicity on the legal system since mid-1980s, the ethnic people understand how to protect their rights and interests through legal means. As a number of the ethnic minority people cannot express themselves well in Mandarin, many hope to find lawyers of their nationality.

The minority nationalities had only a few lawyers five years ago. The number has jumped to 138, or 13 percent of all lawyers in minority areas. Even Va, Yao, Miao and Blang nationalities, educationally backward in the past, have their own lawyers now.

Su Jianming, an official of the provincial Justice Bureau, said lawyers must have tertiary education and pass the nationwide qualification examination.

The Justice Bureau has organized seminars and training courses to train all existing lawyers. Some have been sent to receive further education in Beijing. The bureau has also organized training classes for the newly graduated.

"Our aim is that every nationality will have their own lawyers. the aim will be realized in two years," Su Jianming said.

At present, Lisu, Nu and Drung nationalities who mainly live in high mountains did not have their own lawyers due to backwardness in education. The justice and education departments are making efforts to train lawyers for them.

Wei Qihong, the first female lawyer of the Va nationality, has a good command of Va, Dai, Lahu and Lisu languages in addition to Mandarin. When an interpreter mistranslates legal terms, she can find the mistakes and correct them. As Wei has performed excellently at court, she enjoys a high reputation in Cangyuan county, where the Va nationality account for 80 percent of the local population.

As Yunnan borders on Myanmar [Burma], Laos and Vietnam, border trade has developed rapidly in recent years. When they have disputes with Chinese parties, businessmen from those countries like to retain lawyers of the minority nationalities because a number of ethnic nationalities live on both sides of the border.

At the same time, some lawyers of Han nationality who have good understanding of the local customs and mastered languages of the ethnic minorities have also enjoyed good reputations among the ethnic people.

Li Fanren, director of the lawyers' office of Gongshan county, has worked in the Nujiang Lisu Autonomous Prefecture for four decades. He has a good command of Lisu, Nu and Drung languages and lives a life similar to local people. In 1990, Li Fanren was elected model worker of the Ministry of Justice. In order to improve his work efficiency, Minister of Justice Cai Cheng approved the allocation of a jeep to the lawyers' office.

Science, Culture Thriving in Minority Areas

OW0902083392 Beijing XINHUA in English 0801 GMT
9 Feb 92

[Text] Beijing, February 9 (XINHUA)—Economic reform and open policy have remarkably stimulated the once lagging scientific, cultural and educational developments in national minority areas in northwest China.

Over the past decade, with the support of the central government, local authorities of the northwest, the home of over 50 nationalities have taken measures to promote the ethnic scientific and cultural causes.

Though developed almost from scratch, science and technology in Tibet have made big strides over the past decade. In the aspect of agriculture alone, this helped Tibet to introduce and grow 900 varieties of vegetables, fruits and trees.

In Inner-Mongolia, the level of scientific development has been raised to such a degree that the autonomous region had to open patent offices in nine of its leagues (prefectures) and cities. Over the past six years, over 1,400 patent applications have been filed in the whole region. Inner-Mongolian scientists and technicians won eight gold, 15 silver and three bronze prizes in national patent exhibitions. Science has brought new output value amounting to over 400 million yuan and foreign exchange earnings of over 20 million U.S. dollars.

In the six prefectures administrated by national minorities in Qinghai Province, national minority people have made up 30 percent of the force of scientists and technicians.

In Xinjiang Uygur Autonomous Region, 45 percent of the scientists and technicians are of minority nationality.

A fairly complete educational system has already taken shape in the northwest.

Xinjiang, the largest autonomous region, boasts 20 colleges and universities, 112 secondary technical schools, 1,958 common middle schools, 7,247 primary schools and 1,161 kindergartens. About 97 percent of the school-aged ethnic children have entered primary schools.

In the field of publication, Inner-Mongolia has put out 5,700 titles and 68 million copies of books in the Mongolian language.

Xinjiang publishes books in the Han and five minority languages. the "XINJIANG DAILY" is printed in four languages, including Han, Uygur, Mongolian and Kazakh.

Qinghai Province last year dubbed over 500 foreign films and 200 television programs in national minority languages.

Peasants Arrested for "Counter-Revolutionary" Acts

HK1902054192 Hong Kong AFP in English 0447 GMT 19 Feb 92

[Text] Beijing, Feb 19 (AFP)—Two peasants were recently arrested in China's southeastern Jiangxi province for campaigning against Communist Party rule, a local newspaper received here Wednesday said.

Luo Guilong, 26, and Zhang Shidong, 35, posed as special envoys of the party central committee to infiltrate villages and engage in "counter-revolutionary activities," the Jiangxi Legal News reported.

The two men were reportedly disenchanted with the communist government after failing to benefit from agricultural reforms launched in the late 1970s.

They "hysterically attacked the socialist system, attacked the party's policy of reform and opening and attacked party and state leaders," the paper said. "They also tried to contact domestic and foreign reactionary forces."

Luo and Zhang were active in three villages until at least October last year, the paper said, and they told local residents that Beijing had sent them to conduct "secret" work.

They were arrested after villagers reported the men to local police, the paper said in its February 11 edition.

"Counter-revolutionary" crimes carry a minimum sentence of five years in China and in extreme cases the death penalty.

Article Discusses Marxist Value Concept of Life

HK1302095392 Beijing RENMIN RIBAO in Chinese 31 Jan 92 p 5

["Academic Trends" column by Chen Huabin (7115 5478 2430): "Unswervingly Uphold Marxist Value Concept of Life—Summary of National Seminar 'Value Concept of Life and Opposition to Peaceful Evolution'"]

[Text] How to lead the vast number of young people in selecting and upholding the Marxist value concept of life and resisting the bourgeois offensive of "peaceful evolution" is an important subject of the ideological and theoretical circles. For this reason, the theoretical department of RENMIN RIBAO, the editorial department of "GAOXIAO LILUN ZHANXIAN" [THEORETICAL FRONT FOR INSTITUTIONS OF HIGHER LEARNING], the editorial department of "JIAOXUE YU YANJIU" [TEACHING AND RESEARCH] of Chinese People's University, Central South University of Technology, and Hunan Teachers' University jointly held a seminar on the "Value Concept of Life and Opposition to Peaceful Evolution" a short time ago. More than 50 specialists and academics from all over the country had extensive, thorough, and heated discussions centering on a few theoretical and practical issues concerning the current value concept of life and the struggle against peaceful evolution.

I. Regarding Relations Between Value Concept of Life and Opposition to Peaceful Evolution

Comrades participating in the seminar maintained: It is a major strategic means of the international antagonistic forces practicing peaceful evolution to instill into young people's minds the bourgeois individualist value concept of life. The reason the international antagonistic forces have chosen the value concept of life as a breach for peaceful evolution is because the value concept of life and political faith are inseparable. Those who believe in the collectivist value concept of life will certainly support socialism, and those who believe in the individualist value concept of life will certainly admire and advocate capitalism. The value concept of life of the so-called

"elites," who are willing to act as planted agents of peaceful evolution, is inevitably the bourgeois individualist concept.

Therefore, it is necessary to view the great significance of upholding the correct value concept of life from the high plane of combating peaceful evolution. Whether we can foil the peaceful evolution scheme of the international antagonistic forces not only has a bearing on the success or failure of China's socialist modernization drive but also a direct impact on the life and death of the Chinese nation. Only by proceeding from this understanding can we conscientiously place the issue of the value concept of life in the important position of the ideological field and extend the education on the value concept of life from the classrooms of ethics, thus enabling the Marxist value concept of life to become a sharp weapon of the broad masses against peaceful evolution.

II. Regarding Problems Existing in Value Concept of Life Over Past 10 Years Comrades participating in the seminar reviewed the development course of study of the value concept of life these years, straightening out in real earnest the influence of the ideological trend of bourgeois liberalization and other erroneous ideas in the field of the value concept of life, and, on this basis, made an objective analysis of the current condition of contemporary young people's value concept of life.

The participants unanimously maintained: Generally speaking, the study and publicity of the value concept of life in China over the past decade have given guidance to the people on the ideology of socialist collectivism and served reform and opening up as well as the development of the socialist commodity economy. However, because of the influence of the bourgeois liberalization ideological trend, the massive influx of the Western trend of thought a few years ago, and because of the failure on our part to guard against the decadent ideas in them, people have indeed been very much confused on the issue of the value concept of life. Over a period of time, pragmatism, the doctrine of existence, and Freudianism with individualism and egoism as the core have become dogmas of many young people, while socialist collectivism has been attacked as slavishness, a system which considers people just docile tools, and totalitarianism. Moreover, various anti-Marxist absurd arguments including the advocacy to "justify the meaning of individualism" even appeared. Therefore, it is an unshirkable duty of social scientific workers to straighten out and criticize in real earnest the ideology of bourgeois liberalization and its theoretical basis in the field of the value concept of life and intensify the education of the Marxist outlook on life.

At present, there really exist in our social life various moral concepts and outlooks on life at different levels of consciousness. However, we must also understand that in distinguishing and recognizing these levels, we will under no circumstances acknowledge that we may practice pluralism in guiding the value of society, and we will definitely not allow individualism and egoism to be the guiding objective of our social value.

The more complicated and changing situation our social life becomes, the more unwaveringly we must uphold the correct guidance of the Marxist value concept of life. Facts have proved that the justification of individualism will only result in encouraging and inducing people's capitalist ideology, which will eventually make people abandon socialism.

Our advocacy of collectivism and opposition to individualism is by no means "fear of individuals" and "opposition to individuals" as vilified by a handful of people. In fact, recognizing and safeguarding all proper rights and interests of individuals is the connotation implied in the subject of socialist collectivism.

The participants unanimously maintained: It is necessary to make an objective analysis of the current condition of the contemporary young people's value concept of life in line with the principle of seeking truth from facts. We must notice both the arduous and prolonged nature of the struggle between the two concepts of value, the fruitful achievements scored in the long-term dissemination of collectivist value concept of life, and the tremendous effect of correct public opinion and the general social climate which has come into being. We must fully evaluate the powerful material foundation of the socialist public ownership, thus strengthening our confidence, meeting challenges, and enabling Marxist value concept of life to unceasingly strike root in the hearts of the people.

III. Regarding Relations Between Value Concept of Life and Commodity Economy

The participants pointed out: The development of the socialist commodity economy has played an incomparably enormous propelling role in our socialist material and spiritual civilizations. This is the main aspect. It is absolutely wrong to neglect this. But we must also admit that there is a dual character in the development of the commodity economy which will inevitably bring about some negative side-effects. The erroneous ideology of monetary fetishism, that is, "putting money first in everything" will also bring about a negative influence on people, especially teenagers in establishing the correct value concept of life. In this regard, we should remain sober-minded and persist in "stressing material progress while paying attention to cultural and ideological advances."

Finally, the participants pointed out emphatically: The ideology of serving the people wholeheartedly forwarded by Comrade Mao Zedong is the theoretical basis and practical principle for the correct value concept of life under China's socialist condition. Educating the broad masses especially all Communist Party members in steadfastly upholding the Marxist value concept of life to serve the people is a measure of fundamental importance to combat corruption, guard against unforeseen events, and ensure China always advances along the road of socialism.

Reader's 'Letter' Criticizes Bourgeois Liberalism

HK1502054692 Beijing *RENMIN RIBAO* in Chinese
31 Jan 92 p 5

[“Letter From Reader” by Zhang Jian (1728 1696): “A Book Worthy of Attention”]

[Text] Comrade Editor:

Recently, after being prompted by a friend, I read a book entitled “Who Is To Contract (for the Management of China)”, which has given me much food for thought. It is a surprise that this kind of book can be published more than a year after the riots and counterrevolutionary rebellion were put down and bourgeois liberalization was condemned. The author of that book termed the economic problems facing our country in 1989 as “the eighth crisis”, and compared the “China crisis” and its “periodic crisis intensity” to problems facing capitalist countries, stating that China’s problems are many times more serious than those facing capitalist countries and claiming that the origins of the “crisis” lies in the practice of having “too much importance attached to politics, which disrupts the equilibrium of human destiny.” “As far as politics is concerned, sometimes an individual stands for a country, a nation, or even the universe,” the author wrote. But, “Whom should we denounce? Are we going to denounce politics, which is often manifested through the will of an individual? Or are we going to denounce any individual? Above an individual, there is another individual. The only thing we can denounce is the sun, which leaves solar energy and thoughtful minds idling away, and a waste of a thoughtful mind is a dream.” Moreover, the author maintains that the root cause of frequent economic dislocations lies in “the government practicing a public ownership system, which can mobilize such a large sum of capital within a short time to facilitate the development of an industry in a way similar to nuclear fission!” From the economic point of view, the root cause is public ownership, especially state ownership, under which “one is the moth against oneself.” “Who is the moth?” “The superior” is, in general. “It’s a gamble every game with large amounts lost in gambling.” Under state ownership, “government officials’ departmental selfishness” develops “serving as the matchmaker of power and wealth, and such conjugation in turn gives rise to corruption.” Then what is the way out? This the author did not state explicitly. However, it is not difficult to catch the hint if one had noticed the author’s praise of the “wild child of the market”; such remarks as the following: independent traders “are fully justified in making money no matter how much they earn, millions or even ten of millions of yuan,” so “it is not worthwhile to be jealous of independent traders”; and the author’s criticism against public ownership, especially state ownership. He actually believes that the way out lies in privatization and the introduction of a market mechanism.

The title of this book is “Who Is To Contract.” Its front and back cover is all in black with the image of a map marked “ZHONGGUO” in big characters under a big question mark. The implication is very clear—China is in the dark; who is to contract (redeem) China? As everyone knows, China is a state under the people’s democratic dictatorship led by the CPC and based on the alliance of workers and peasants. In this country, the people are the masters of their own affairs. To contract, so to speak, means that all the Chinese people will “contract” for the management of their own country. The CPC is the representative of all the people’s interests, that is, the “legal representative” of the people. The Chinese people and, first of all, the CPC, bear responsibility for all achievements, setbacks, and mistakes in this country. From the author’s point of view, this is the very origin of all of the mess and it is futile to rely on the CPC’s leadership. Then whom can we rely on? Who is to take up the responsibility to save China from an abyss of suffering? Concerning this, those who insist on the bourgeois liberalization stand said very frankly a few years ago: “Let us invite a foreigner to act as China’s premier.” In this connection, they would go so far as to submit China to “colonial rule for another 300 years”. Of course, now it is no longer convenient for the author to speak out so openly, but is it not the case that this “plentiful” information provided by the author of the book serve as footnotes for these comments? Is it not the case that these clear-cut messages are revealed between the lines? What is noteworthy is that by citing “plentiful” information, the author may mislead some people and thus convince them of his views. As a matter of fact, what he has done is to arbitrarily pick up something from the dark side of real life, seize upon one point while ignoring the overall picture, make sarcastic remarks, and air his strong grievances against the party and the socialist system. What the author has done is to convey a message that even today some people are still trying to wage “legal struggle” against us by “sidestepping head-on confrontation” under the camouflage of “academic” or “theoretical” discussion. This, I believe, is unsurprising. There are always some people who will not reconcile themselves to their defeat but stubbornly keep on showing themselves off. But, why did the publisher publish a book like this? That is what I am wondering about.

Housing Reform Expanding Nationwide After 4 Years

OW1002134392 Beijing *XINHUA* in English 1327 GMT
10 Feb 92

[Text] Beijing, February 10 (XINHUA)—Housing reform is spreading all over China’s urban areas after more than four years of experimentation.

In a special interview with the “WORKERS’ DAILY” [GONGREN RIBAO], officials of the leading group in charge of housing reform under the State Council said that the present time is the best time for China to carry forward its housing reform program.

The officials said that under the leadership of the Chinese Communist Party Central Committee and the State Council, the experimental results have been encouraging.

For instance, reports say that in Yantai, which is one of the country's four cities first designated to pilot housing reform in 1987, more than 1,500 households have withdrawn from houses unfairly occupied, and over 3,000 families have exchanged their large flats for smaller ones.

And as a result, the city was able to help more than 3,000 households solve their housing difficulties. On the other hand, housing reform also helps create funding for renovation of the city's old houses.

But there are eight million households in the country's urban areas still without their own houses or having other housing difficulties, according to the officials.

So, in an effort to improve the local people's living conditions, the officials said, "actively carrying forward housing reform according to local conditions" has been written into the "outline of the Ten-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" which was approved by the Fourth Session of the Seventh National People's Congress April 9 last year.

According to the outline, during the Eighth Five-Year Plan period (1991-1995) the country must realize the aim of adjusting its low-rent housing system and accelerating its pace of commercialization of urban houses, while bringing into full play the initiatives of all sectors, speeding up urban housing construction and forming a new funding system for collective housing by individuals, work units and the state.

Chinese Premier Li Peng has also stressed that housing reform is one of the three key reform tasks in next three to 10 years.

Talking about the housing reform tasks for this year, the officials said that all municipalities, provincial capitals and coastal cities are expected to carry out housing reform in an all-round way; other cities and towns may also start housing reform before the end of 1992 if their local conditions allow them to do so.

And those cities and units which have already started housing reform on a trial basis must push forward the reform according to the original housing reform policies and measures.

All housing reform plans of different provinces, autonomous regions and municipalities must first be approved by the leading group in charge of housing reform under the State Council before they are implemented, the officials stressed.

On the other hand, housing reform should be carried out in line with local conditions and under the unified policies of the party Central Committee and the State Council.

The housing reform has won the approval of the great majority of China's urban citizens. A recent survey conducted among more than 1,000 households in cities including Nanjing and Changzhou, where the living space per person stands at an average of 6.36 sq m [square meters] in contrast to the 7.1 sq m per capita national average, show that 93.5 percent of the people surveyed are taking an actively supportive attitude toward the housing reform.

Most of them believe the ongoing reform will accelerate the pace of home construction.

Traditionally, Chinese urban residents' houses have been mainly distributed by their work units at nominal rents. The money they spend on housing accounts for only two percent to three percent of the total expenses.

In this way, the government cannot accumulate enough funds to build new residences. In some areas, housing authorities even do not have sufficient funds to repair the existing houses.

The officials said enterprises should gradually adjust public housing rents under the guidance of the unified policies of different localities, and they can speed up the reform pace if conditions permit.

They can sell commodity housing at standard prices to workers with middle and low incomes, and should try hard to encourage individual workers to raise funds for home construction.

At the same time, enterprises are urged to do a good job of establishing their own housing funds.

Liu Huaqing Attends Sports Commendation Meeting

*OW1002113792 Beijing XINHUA Domestic Service
in Chinese 0941 GMT 10 Feb 92*

[By reporter Qin Jie (4440 2638)]

[Excerpts] Beijing, 20 Feb (XINHUA)—China's acrobatic performers who have won many prizes at international competitions again won eight gold and silver prizes in Italy, France, and Monaco during the Spring Festival period.

The Ministry of Culture and China Acrobatic Performers Association today held a celebration meeting in Beijing to issue awards to those prize winners. [passage omitted]

Liu Huaqing, Chen Muhua, Yang Jingren, Wang Guangying, and Cheng Siyuan as well as responsible persons of concerned departments attended today's celebration meeting. Some of the prize-winners gave a performance following the celebration meeting.

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Book Review by Marx-Engels' Works Office Under Bureau for Translation of Marx-Engels-Lenin-Stalin's Works: "Brief Introduction to 'Notes on Science of History (Early 1880's)'"

Science & Technology**Officials Sign Satellite Agreement With Burma**

OW1602114292 Beijing XINHUA in English
1130 GMT 16 Feb 92

[Text] Yangon [Rangoon], February 16 (XINHUA)—Myanmar [Burma] and China signed an agreement and exchanged notes on the construction of a satellite ground station in this country here Saturday, the MYANMAR news agency reported today.

Under the agreement, China will send two teams to study the construction of a satellite ground station and a steam-powered generating plant in Mawlamyine, capital of southeast Myanmar's Mon State, and to provide necessary spare parts there.

The agreement was signed by Myanmar Deputy Minister for Planning and Finance Win Tin and Chinese Ambassador to Myanmar Liang Feng.

The costs for the construction of the satellite ground station and spare parts for the power generating plant will be covered by an interest-free loan amounting to 50 million renminbi yuan (about 9.5 million U.S. dollars) in accordance with the economic and technical cooperation agreement between Myanmar and China.

Shanghai To Build Indian Ocean Satellite Station

HK1702133692 Hong Kong ZHONGGUO TONGXUN SHE in English 1135 GMT 17 Feb 92

[Text] Shanghai, February 17 (HKCNA)—In order to improve communications conditions between Shanghai Municipality and the European continent, the municipality will build an Indian Ocean communications satellite earth station, making it a sister establishment to the current Pacific satellite earth station. The main communications equipment to be employed by the station will be from the United States and the RMB [Renminbi] 30 million project will be completed in the first half of this year.

A 20-metre parabolic antenna designed and constructed by China itself will be used at the station, which on completion will provide 600 communication lines and enable the receiving and transmitting of two sets of satellite television programmes at the same time.

Scientists Complete South Sea Navigation Station

OW0902101692 Beijing XINHUA Domestic Service in Chinese 0308 GMT 9 Feb 92

[By correspondent Han Hong (7281 1347)]

[Text] Xi'an, 9 February (XINHUA)—The south sea station of the first large loran system designed and built by China, known as the "Changhe No. 2" Project, has been successfully completed after some 20 years of effort made by the scientists and technicians at the Xian Institute of Navigational Guidance Techniques. Now China has become the second country independently producing complete sets of advanced long-distance navigational guidance equipment, besides the United States.

This technological achievement has filled the blank in China's long-distance navigational guidance systems, extending the 500-nautical mile [nm] effective range of navigational guidance around China to 1,000 nm on ground-wave guidance, and to more than 2,000 nm on sky-wave guidance. It has terminated China's backward navigational guidance techniques, and raised our long-wave, long-distance, high-precision navigational guidance techniques to the world's advanced level.

The "Changhe No. 2" loran system is a large-scale comprehensive system engineering project, involving navigational guidance communications, remote control, telemetry, software research, computers, and precision

surveying. Its development dealt with difficult technology and took a long time. As early as the 1960's, the Chinese Government decided to build a long-wave pulse, phase hyperbolic navigational guidance system. The task of developing and building the system has been taken up by the Xi'an Institute of Navigational Guidance Techniques. The institute solved a dozen or so of the world's technological difficulties, such as resistance to sky-wave interference, and long-distance navigational guidance and positional fix, with the assistance from many scientific research organizations at home, but without any assistance from foreign countries. Using the world's new technologies, it has done a flawless job of designing and engineering and completed the country's first large loran system after only one test and adjustment.

China's loran system is for long-distance, high-precision sea, air, and ground navigational guidance and positional fix. It is useful to sea and air navigation, marine fishery, marine geological surveys, marine resources prospecting, and weather forecasting. If the more than 70,000 of our fishing boats operating on the South China Sea were equipped with the loran signal receivers, they would be able to sail the most efficient course, save fuel, and enhance fishing efficiency, and this would mean an annual savings of up to 100 million yuan.

It is reported that the service of the south sea station of the "Changhe No. 2" Project covers a total of more than 3 million square kilometers, including water area and air space over the vast South China Sea, and the land area and air space over Guangdong, Hainan, and Hunan Provinces, as well as the Guangxi region. The construction of the east sea station and the north sea station is being stepped up, scheduled to be completed in the first half of the 1990's. After completion, China will have a complete, independent loran system with an effective range of more than 1,000 nm.

Satellite Launches To 'Peak' This Year

HK1702145092 Beijing ZHONGGUO XINWEN SHE
in English 1401 GMT 17 Feb 92

[Text] Beijing, February 17 (CNS)—China's aerospace industry will see a prime time this year when it will come to a peak in the number of satellites to be launched, aerospace experts said. The "Long March No. 2" carrier rocket will launch two large Australian communications satellites this year while the "Long March No. 2C" carrier rocket will fire a satellite for Sweden. China will further carry several of its own new type satellites into outer space.

China will use, according to contracts, the "Long March No. 2" rocket in early March this year at the Xichang Satellite Launch Centre to launch the first Australian satellite, codenamed "HS-601", a new generation of communications satellites made by an American company. The satellite is equipped with 50 transmitters and has a life span of 15 years.

China is fully confident of making successful launches of the Australian satellites, the chief designer of the "Long March No. 2" rocket, Mr Wang Dechen, said.

The "Long March No. 2" rocket, employing the "bundle-up" technique, has the largest loading capacity of any rocket of its kind in China. The 50-metre long rocket can launch into a near-Earth orbit an effective load weighing 9.2 tonnes with a take-off load of 460 tonnes. The current mission is to launch the Australian satellites into an elliptical orbit to the earth ranging from 200 to 1,050 kilometres.

Geodetic Position System at 'Advanced' Levels

OW1002122292 Beijing XINHUA Domestic Service
in Chinese 0730 GMT 10 Feb 92

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 10 February (XINHUA)—This reporter has learned from the State Bureau of Surveying and Cartography that there are over 700 satellite locating points over the land in our country. China has become one of the countries having the greatest number of satellite locating points and has reached advanced levels in geodetic position system [GPS] technology in the world.

China began to survey and measure a GPS network in recent years to meet the demands of massive petroleum prospecting in the three major basins in northwestern China. In the absence of necessary surveys and fixed points, using the conventional means of general land surveys for petroleum prospecting in the boundless deserts is not only time consuming and uneconomical, but also technically unreliable. For this reason, GPS technology is the sole means for fixing the seismic measurement lines in petroleum and other surveys.

The Wuhan University of Surveying and Cartography Science and Technology, in collaboration with the Qinghai Petroleum Bureau and Xinjiang Petroleum, began a geodesy network project for the northwestern region in 1984. The network—which covers an area of more than 3 million square km in the five provinces and autonomous regions of Shaanxi, Gansu, Qinghai, Xinjiang, and Tibet—has an average precision rate of 0.5 meter in the positioned points, with the major technical parameters reaching the world's advanced levels. Since the project was completed and put into use in July 1986, the precision rate of petroleum prospecting in the three major basins, which had relied on parameters converted from outdated coordinates for a long time, has been greatly enhanced, thus keeping petroleum prospecting abreast to the demands in production and saving some 5 million yuan in production investment annually.

On the basis of establishing and applying the GPS network in the northwestern region, 52 units affiliated to the petroleum, mineral resources, and surveying and cartography departments promptly coordinated efforts and carried out joint scientific research projects. Since

August 1987, large-scale joint projects focused on the Tarim, Junggar, Qaidam, Ordos, and Songliao Basins have been carried out by China's western, central, eastern, and maritime monitoring and surveying zones. As a result, an embryonic GPS network over China has rapidly emerged. According to an authoritative source, establishing a GPS network and further applying GPS technology will surely exert a great influence on China's national economic development.

Aerospace 1991 Production Stresses Civilian Use

HK0202015092 Beijing CHINA DAILY in English
1 Feb 92 p 1

[By staff reporter Li Hong: "Aerospace Trade Goes to Public Products"]

[Text] China's aerospace industry, one of the government's key arms manufacturers, produced more civilian products than military hardware last year.

The output value of civilian goods, estimated at 8.15 billion yuan (\$1.5 billion) last year, accounted for 65 percent of the industry's total compared with a mere 10 percent in 1980, a government official said.

And the goods assembled by the country's best high-technology department proved fairly competitive both in domestic and foreign markets, with overseas earnings exceeding \$400 million while domestic sales hit 3.5 billion yuan (\$627 million).

The Ministry of Aerospace Industry, which administers the research, design and production of aircraft, spacecraft, rockets and missiles, has decided to accelerate its transition from the pure military to civilian production this year.

It has worked out a programme to erect another 10 export-oriented hi-tech enterprises, each able to earn at least \$10 million per year. Foreign earnings this year are expected to hit a new high of \$500 million.

And it will readjust the structure of its civilian products from household electric appliances—which have been stockpiled—to modern plants for textiles, food and medicine.

Furthermore, the ministry is going to improve some Chinese-made civilian airplanes, including the Y-7-200B and the Y-8C, so as to increase their attraction abroad. Last year, it exported 24 home-made aircraft to Asian countries, and early this year sold six more to Peru.

Several aircraft manufacturers managed by the ministry are also prepared to increase co-operation with foreign companies to produce jetliners' head and tail parts. Such earnings surpassed \$38 million last year.

The aerospace industry was steered toward civilian production by the government in the early 1980s, when the country began to slash its military procurement budget, according to Aerospace Minister Lin Zongtang.

It is considered that the "two-pronged" military-civilian enterprises rather than "single legged" armament factories can better adapt themselves to market competition and fluctuation.

For this purpose, the government has decided to move 2,000 arms firms set up 25 years ago from the mountain-locked countryside to cities.

And State and local treasuries are expected to allocate 3 billion yuan (\$566 million) before 1995 to readjust and renovate 115 major industrial defence firms, according to government sources.

The government has also called on State-owned profitable enterprises to lend a hand to help inefficient armament factories.

The Capital Iron and Steel Complex, China's most economically efficient firm, has helped 10 defence firms to turn out marketable products.

Space Technology Company Achievements Highlighted

HK1402043092 Beijing ZHONGGUO XINWEN SHE
in Chinese 0531 GMT 10 Feb 92

[Article by reporter Zhu Daqiang (2612 1129 1730): "Continued Development of Space Technology"]

[Text] Beijing, 10 Feb (ZHONGGUO XINWEN SHE)—Following the famous high technology companies including Beijing's Zhongguan Cun [0022 7070 2625], Sitong [0934 6639], Jinghai [0079 3189], and Keli [4430 3810] known to be China's Silicon Valley, another "dark horse"—Kangtuo (1660 2148) Science and Technology Corporation belonging to 502 Institute of the Ministry of Aeronautics and Astronautics Industry—fought its way out in recent years.

Kangtuo Corporation General Manager Qinge [4440 7245] briefed this reporter saying: Over the past three years, Corporation, which is powerfully backed up by the research of spacecraft attitude and orbit controls and design of production techniques, has been developing products for civil use in a multiangular and omnidirectional way. It has successfully applied a number of high scientific and technological achievements to national economic construction, gradually forming its scale of industrialization, and making itself a bridge between space technology and economic construction. Now Kangtuo has also become a key enterprise in Zhongguan Cun.

This indeed is a continued development of space technology. Once this advanced technology is "grafted" upon civil use, it will produce boundless extraordinary power.

—Integrating technology, industry, and trade, the corporation had revenues over 60 million yuan in three years. Among the 960-odd enterprises in Beijing's new technological and industrial development zone,

Kangtuo has become one of the top 30 key enterprises, and ranks 10th in terms of total industrial output value.

—Its "competitive" STD series of industry control computers, which enjoy a good reputation at home and abroad, have become commodities as the state's major new products. Besides, its vehicle thermal infrared detecting system, ITC intelligent controllers, small integrated data control systems, and whiteness meters, are all readily marketable goods in domestic and overseas markets.

—Kangtuo Corporation vigorously promotes enterprises' technological progress. It has also completed a large number of major technological transformation projects, including the oil storage and supply computer control system in the capital's airport, antibiotics fermenting process control system, automatic atmospheric environmental monitoring system, and automatic oil refining control system. Its economic results are very remarkable.

—With regard to the competitive products, they have gradually become high scientific and technological industries in the pattern by which development, production, operation, and service are integrated in one so that they can remain invincible in the intense market competition. At present, Kangtuo Corporation has become our country's largest production enterprise of industry control computers. These products are expected to monopolize the domestic markets in three years and export to foreign countries in a relatively large volume.

General Manager Qinge explained: Space technology is not unfathomable. It is also within the bounds of primary productive forces. In light of the standard of turning achievements into products, products into commodities, commodities into industries, and industries into internationalized business, Kangtuo has developed a fine operation mechanism and entered the most gratifying stage through free composition, self-raised funds, sole responsibilities for own profits and losses, self-restraint, self-development, and independent and flexible operations.

General Manager Qinge said: As Kangtuo Corporation is subordinate to the abovementioned institute and has established a contingent of "military transferring to civilian" to engage in civil development in the form of a corporation, it has developed into the best civil development system. This system has smashed the "iron rice pot" and made the enterprise plunge itself into keen market competition, while the research centers of the institute are powerful backing of the corporation in constantly introducing new products. As a result, there are over 100 scientific and technological achievements made by the corporation every year, which are conducive to realizing industrialization of high science and technology.

In this connection, people call it the "Kangtuo model" of China's Silicon Valley. In the high tide of the worldwide "military transferring to civilian," Kangtuo has broken a successful path, of which people in China's space sector are very proud of.

Song Renqiong Opens Qinshan Nuclear Power Station

OW1502140092 Beijing XINHUA Domestic Service
in Chinese 0653 GMT 14 Feb 92

[By reporters Zhuo Peirong (0587 1014 2837) and Hu Nianqiu (5170 1628 4428)]

[Text] Beijing, 14 February (XINHUA)—A photo exhibition on the Qinshan Nuclear Power Station opened in Beijing today. On display are some 150 photographs reproducing, from different angles, some typical moments in the pioneering endeavors of nuclear power in China, as well as the heroic faces of the builders of Qinshan.

Song Renqiong, vice chairman of the Central Advisory Commission cut the ribbon at the opening ceremony. He described the Qinshan Nuclear Power Station—built by the Chinese people through self-reliance under the CPC's leadership—as an amazing pioneering undertaking, and extended sincere congratulations and gratitude to all comrades participating in the construction.

Qinshan is the first nuclear power station designed and built by China on its own. The completion of the power plant took 81 months from the pouring of the first tank of concrete into the main building site in March 1983, until the successful trial generation of electricity on 15 December 1991; and it concentrated the painstaking efforts of tens of thousands of scientists, technicians and workers from several hundred units throughout the country. It was a declaration to the world that China has joined the ranks of a small number of countries capable of independently designing and building nuclear power stations. It is a major achievement of the socialist modernization drive, a typical example of transforming high technology into a productive force, and a song of triumph in the arduous struggle for vigorous cooperation and self-reliance.

Co-sponsored by the China National Nuclear Corporation, the China Nuclear Society, and the Chinese Photographers' Association, the purpose of the exhibition is to publicize China's successes in peaceful development of nuclear energy, popularize scientific knowledge related to nuclear power, and encourage the spirit of unity, progress, and hard work displayed in the course of pioneering the of nuclear power undertaking. The exhibition has been commended for its ideological as well as artistic values.

The photographs, after being exhibited for seven days in Beijing, will be displayed in exhibitions in Shanghai, Hangzhou and other places.

Meanwhile, a collection of literary reports on the construction of Qinshan, which is entitled "The Glory of the Nation," has been published by the Atomic Energy Publishing House today and will soon be distributed throughout the country. The 240,000-character collection contains 13 reports by writers, journalists and amateur writers who witnessed the construction of the power plant. These reports describe the tortuous path of China's undertaking of nuclear power, hardships endured by construction teams from all sectors, and many interesting episodes.

Progress Made in Environmental Protection Laws
OW1702120992 Beijing XINHUA in English
1153 GMT 17 Feb 92

[Text] Beijing, February 17 (XINHUA)—China has made much progress in recent years in making laws to protect the environment.

An official from the State Environmental Protection Bureau said that the laws on environmental protection have formed an independent system with distinct Chinese characteristics.

China began to make laws on environmental protection in 1979 when the government began to attach much attention to the work. That year, the country promulgated "The Law of the People's Republic of China on the Protection of Environment". Since then the country enacted four other laws on environmental protection, 20 administrative decrees and more than 20 rules and regulations concerning environment protection. In addition, the various localities have enacted several hundred local laws and regulations on protecting the local environment and ecology, including Shanxi Province's regulations on the prevention and control of pollution of the Fenhe River and Shanghai's regulations on the protection of the water sources of the upper reaches of the Huangpu River.

Apart from laws, the Chinese Government has also formulated more than 200 standards concerning environment, including nine on environmental quality, 55 on the standards of discharge of pollutants and nine basic standards. These standards have promoted the transformation of the technological processes of enterprises and other technical transformation projects.

Meanwhile, the state has trained a contingent of personnel who are competent in enforcing the laws and regulations.

So far China has become a signature country of more than 20 international conventions concerning environment protection, including the Vienna convention on the protection of the ozone layer and the Montreal protocol on special matters that damage the ozone layer. China is also active in participating in the talks on the proposed international documents concerning the framework convention on the prevention of global warming. The

country is now cooperating with a number of international organizations and countries in environmental protection.

Economic & Agricultural

Daily Reviews Special Economic Zones' Development
HK1702101892 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 10 Feb 92 pp 1, 4

[Article by staff reporter Zhang Pingli (1728 1627 0500): "China's Major Experiment on Economic Reform—Review of Development of Special Economic Zones in Past Decade"]

[Text] In the late 1970's, Shenzhen, Zhuhai, Shantou, and Xiamen, which are situated along China's gold coast, appeared particularly lonely. During that time, China's economic reform was carried out mainly in rural areas, leaving the border cities almost untouched. To what extent could the Chinese people, who are looking forward to socialist modernization, stand this loneliness? Responding to the call of history, with a broad mind set on the world and a profound understanding of international economic activities, the CPC adopted the strategy of reform and opening up at the right time and placed the first chessman in these border cities.

The past decade has elapsed quickly. Today, these four border cities, and the Hainan Provincial Special Economic Region, whose extent of openness is larger, are the most active economically and fast-developing. In 1990, the total industrial output value of China's special economic zones [SEZ's] reached 60 billion yuan, a 23-fold increase over the time before the SEZ's were set up! They are the "first soldiers" in China's economic reform.

I

China's SEZ's were prospering in 1987. In that year, Deng Xiaoping said: "Now we can say bravely that our decision to set up the SEZ's is accurate and it is a success. All doubts can be dispelled."

At the Third Plenary Session of the 11th CPC Central Committee, the strategic shift with economic construction as the center was made. The ruling party, which had dispelled all illusions, looked around in all directions and then formulated a great development strategy. In 1979, the Guangdong provincial party committee put forward the suggestion that Guangdong "set up export processing areas and take advantage of its nearness to Hong Kong and Macao, the fact that it has numerous overseas compatriots, and its close links with the outside world". In August 1980, the Standing Committee of the National People's Congress officially approved and promulgated the "Regulations for Guangdong SEZ's." In this way, China's SEZ's were set up.

A look back at the past 10 years makes one feel that the CPC's decision to set up the SEZ's has a great significance and a wide-ranging influence.

Leaders of the Shenzhen city government spoke about their own understanding, saying: China has no precedent for large SEZ's with comprehensive functions. We must answer this major question through our practice: Can we rely on the socialist system, comprehensively participate in international economic exchanges through reform and opening up, and vigorously absorb the fruits of the civilizations of developed countries around the world, to enable socialism to head toward modernization? Deng Xiaoping pointed out: "The Shenzhen SEZ is an experiment.... Our entire policy of opening up is also an experiment. From the world's perspective, it is a big experiment." We should say that the rapid development of the SEZ's and their enormous demonstrative effect proves that our experiment is a success.

The thought of "experiment," which people have come into touch with from the angles of practice and theory, reflects, to a large extent, the leap of the CPC's guiding thought. Some experts and scholars who have served as consultants for the establishment and development of China's SEZ's over the years maintain: "The thought of experiment has always aroused the spirit of the SEZ people to courageously blaze new trails. The theoretical essence of this thought is: As a social movement with universal laws, socialism does not have a fixed pattern. For its practice in every country, people must seek a pattern that suits the specific national conditions of that country. Without reforms and new ideas, the socialist cause cannot develop. Opening to the outside world is the proper way for socialist construction. The fact that we set up the SEZ's and pursue the policy of opening to the outside world is precisely the fundamental way for improving and developing socialism. The meaning of experiment lies here."

The enormous force of the experiment has not only made the flower of ideas blossom but also made the practice bear fruit. The SEZ's economy is making a great stride at an annual growth rate ranging from 25 percent to 35 percent. During this time, China's economy is developing at an average annual growth rate of over 10 percent.

Leaders of the Zhuhai SEZ Government spoke of another harvest: "People in the SEZ have a strong concept of openness, concept of competition, and concept of efficiency. They do not feel puzzled in the least. In order to develop socialism, it is necessary to let the concept of opening to the outside world strike root in people's hearts. This is the most reliable and precious resource for the SEZ's development." The sense shown by experimenting in the SEZ's is wider. In 1990, Mainland China showed an inspiring television film on political views called "Journey to the Century," which brought patriotism and socialist education to hundreds of millions of people. The propaganda department of the Shenzhen City Party Committee, which participated in compiling the story, added to the film the SEZ people's new understanding of the inevitable success of socialism and their approval of building socialist spiritual civilization. People in the SEZ maintain that if the doors are

closed, there will be no flies and mosquitoes, but people's ability to distinguish and drive them out will deteriorate as well. Only by opening to the outside and competing with decadent and declining things can people's pursuit of socialist spiritual civilization be aroused. During their establishment and operation, the SEZ's have formulated more than 100 local laws and regulations aimed at safeguarding state sovereignty and guaranteeing the characteristics of the SEZ's socialist system. They have added new colors to China's opening up—this is the logic that the "experiment" has disclosed: Closed doors equals backwardness, open doors equals vigorous development!

II

"The large SEZ's with comprehensive functions, which emerged in socialist China in the 1980's, are the great creation in the history of SEZ development around the world. They have opened an important chapter in the history of SEZ's development around the world."—
Extracts from ZHONGGUO TEQU JINGJILUN [VIEWS ON CHINA'S SEZ'S ECONOMY]

"Why are China's SEZ's developing so rapidly?"

China's SEZ's, which have evolved from a small scale to a large scale and which have gone through the process of special export zones, export processing zones, to zones with a pattern of comprehensive functions, abound with the explorations and creations of the Chinese people. In this experimental site, central and local authorities, experts, scholars, entrepreneurs, and ordinary people from all walks of life are demonstrating their wisdom and intelligence unprecedentedly. They are creating wealth and experience and playing the most lively drama in the history of the development of China's SEZ's.

There are two things which the SEZ people will not forget:

—In April 1979, after listening to the report given by the then party secretary of Guangdong Province, Deng Xiaoping said: We can choose a site for a SEZ. It could be Shaanxi, Gansu, or Ningxia. But the central authorities will not give financial support to it. The SEZ has to develop on its own and make its way out.

—Seeing the rapid development and prosperity of the Shenzhen SEZ in early 1984, Deng Xiaoping was exceedingly excited. He said: "Shenzhen has been developing very quickly. But Shekou is quicker still. The reason is that we have granted them some powers...."

"Develop on its own," and "grant powers"—it is true that the state has adopted a good many preferential policies for the SEZ's and these policies contain this fundamental purpose: Bring out people's initiative and creativity. Those with great ideas seize the historical opportunity such as this.

The SEZ's promote multidimensional reform by opening themselves to all directions. Today, we see that a score of major reforms have originated in the SEZ's, such as the

readjustment of the pricing structure to market needs, inviting tenders and tending for the construction of infrastructure, the labor use contract system, the appointment and election of cadres, the use of bank loans to construct infrastructural projects, the establishment of foreign-exchange regulation centers and investment management companies, the establishment of bonded areas and markets, the transfer of property rights, the auctioning of land, the commercialization of houses, the opening of the market of the means of production, the introduction of the joint stock system for enterprises, and the establishment of stock exchange. This series of reforms revolve around four pivots, namely: Bring into play people's initiative to the fullest extent, absorb foreign investment to the fullest extent, enable every kind of resource to produce the best economic returns, and open up the international market to the greatest extent.

The SEZ's reform possesses two exclusive characteristics:

First, every reform measure is not carried out according to pre-designed theoretical patterns, but according to the practice of opening to the outside world. The Shenzhen SEZ's reform began with the readjustment of the pricing system according to market needs. It has grasped the price law, which was once the strange "invisible hand" to the Chinese. That was a trial to the SEZ people. In the early years since the SEZ's were set up, the sharp increase in their population gave rise to sharp contradictions between supply and demand and the index of retail prices of commodities in society rose sharply to a two-digit figure. SEZ governments chose three major categories of commodities which were closely bound up with people's livelihood and subjected their prices to the market, improved the quality of commodities, narrowed the price difference of product varieties, increased the purchasing prices, allowed listed prices to fluctuate according to the market, and quickly stabilized price fluctuations, with the result that Shenzhen's commodity prices had the lowest rise in China and that the market regulatory mechanisms for the three major categories of commodities were basically set up. Later, Shenzhen put forth reform proposals for salaries, planning, and supplies simultaneously, and expanded the scope of the functions of market regulatory mechanisms, thus creating an economic space for individuals, entrepreneurs, and various sorts of economic organizations in which over 95 percent of prices were regulated by the market. Risks were interwoven with opportunities. In a controllable space, the price law has stimulated the endless vitality of countless economic cells, thus providing a good environment for absorbing foreign capital and for fair competition. Such a situation was not foreseeable and did not come out of design. It was created through the pioneering and courageous, continued reform and creation of the people.

Second, the SEZ's reforms are being carried out in an overall manner and in coordination with each other. The SEZ people have discovered the following close links:

Various reforms must be mutually linked, supported, and interdependent. Only this can enable us to weaken the shock on a reform measure when it is carried out singly and obtain the effect of stabilizing the overall situation and making progress. This phenomenon is very outstanding in the Shenzhen SEZ. Here, a dozen or so major reforms are being carried out according to the degree of closeness of the mutual links and the different combinations. At the early stage of the SEZ's establishment, the commodity price system; the planning, supplies, salary, and labor use systems; and the commercialization of houses were reformed as a combination. At the intermediate stage, with the objective of "stressing industry; the integration of industry, trade, and technology; and comprehensive development," a series of reform measures for foreign trade, foreign exchange, finance, the property right system, and the joint stock system were put forth as another combination. At the end of the 1980's, SEZ's comprehensive economic functions were about to take shape. In order to fully utilize these functions, the SEZ's simultaneously launched a series of reform measures for government administration, the enterprise system, the development of high-technology industries, the establishment of overseas companies, financial institutions, and stock exchange, and means of production exchange centers.

The comprehensive reforms have promoted the SEZ's further opening up and vigorous development. In 1990, the five SEZ's signed over 6,600 investment contracts with foreign businesses, with the contracted amount totaling over \$12 billion, or an actual foreign investment of approximately \$4.5 billion.

Since 1985, the foreign investment obtained through the readjustment of the SEZ's various systems has increased yearly, thus "quickening" the leap in the process of industrialization. In 1985, the total industrial output value of the four SEZ's of Shenzhen, Zhuhai, Shantou, and Xiamen totaled 4.8 billion yuan, and in 1986, it rose to 6.78 billion yuan, an increased of 39.5 percent. In 1987, it rose to over 10 billion yuan, a 1.1-fold increase. In 1989, it leaped to 21.44 billion yuan, a 3.4-fold increase. In 1990, it reached over 28.6 billion, a 5.8-fold increase over 1985.... During this period, using the experiences and policies of other SEZ's, the newly-developed SEZ of Hainan Province absorbed a total of over \$800 million in three years with an industrial growth rate of over 70 percent, which showed an "extraordinary" trend of growth. At present, the total exports by China's SEZ's account for over 60 percent of their total industrial output value.

Today, China's SEZ's have already formed, or nearly formed, the economic structure based mainly on foreign-invested enterprises, the operational mechanism based mainly on market regulation under the guidance of state plans, and a brand-new SEZ economic pattern which utilizes mainly foreign capital for the SEZ's construction and whose industrial setup is featured by the export of products. Moreover, they are making efforts to strengthen their own distinctive "characteristics" while

maintaining a similar pace of development with the international economy. They have produced an enormous effect in bringing new ideas to various systems and now play a vital role in China.

III

"The SEZ's are windows, through which technology, management experiences, and knowledge are obtained. They are also windows for foreign policy."—Deng Xiaoping

The SEZ's were set up with the strength of all quarters across China under the CPC Central Committee and State Council's mobilization, and all creations made in the SEZ's are radiating their daily-growing strength across China.

—Since 1986, enterprises in the SEZ's have used the foreign exchange earned from their exports to import directly or as an agent a total of more than \$1.7 billion in technical equipment, key parts, important raw and processed materials, and other materials for the mainland's industrial and mining enterprises, and scientific and technological departments.

—The SEZ's have boosted the whole country's foreign trade and exports and absorbed foreign investment. The SEZ's foreign trade and exports account for one-ninth of China's total, and the foreign capital they utilize account for one-fourth of China's total.

—The SEZ's have become a bridge linking China's economy with the international economy. While actually utilizing one-seventh of China's total introduced foreign capital, Shenzhen, the first and fastest-growing SEZ, has signed over 6,000 contracts with 46 central ministries and commissions, 29 provinces, autonomous regions, and municipalities, and over 120 prefectures and cities, with a total contracted investment of more than 8 billion yuan. It is running over 4,000 enterprises in cooperation with these places as well.

—The series of economic institutions that conform with international practice, such as bonded areas, bonded markets, foreign banks, and stock exchange, originated from the SEZ's and are spreading inland.

—The number of cadres and technical personnel sent from the central authorities and other places around China to the SEZ's totals 100,000. Ninety-five percent of the professional personnel and 92 percent of the labor needed for the SEZ's development come from inland enterprises, cities, villages, scientific research departments, colleges, and universities. Each year, millions of people visit the SEZ's to negotiate business, set up industries, look for jobs, learn management experiences, and make academic and technological exchanges.

—Since 1987, several hundred new products and new technologies have been transferred inland and the number of new products and new technologies placed on the international market is on the increase yearly....

The SEZ's economic radiation toward the whole country is multidirectional and multilayered. Viewing it as a whole, the SEZ's have produced a great influence on China in the following two aspects:

First, the series of experiments and creations for the SEZ's opening up and reform have promoted China to form a stairway pattern of opening to the outside which stretches from south to north and from east to west. This has greatly enhanced the links and cooperation between China's economy and the international economy. In this way, China's economy has obtained a more powerful drive for development from the mutual linking of the two kinds of resources and the two markets.

Second, through the SEZ's, open cities, and open areas, China's economy has introduced the competitive mechanisms used for the operation of the international economy, effectively enlarged the room for relying on the international economy to carry out macroscopic regulation and control of China's economy, and produced a powerful promoting effect on China's major economic activities such as the rationalization of the industrial structure, the upgrading of technology and progress, and the introduction of new generations of products.

China's SEZ's in the past decade have been bright. However, the experiment must continue, new ideas must come forth, and the SEZ's must continue to be "soldiers on the front line".... Opening to the outside world is our unchanged national policy. It is not true that our doors are too open, but that they are still not open wide enough. We should further enlarge the extent of openness with more courage and a quicker pace. We should implement the principle of "great openness," which is the aspiration of a generation of communists and is precisely what the SEZ people are earnestly looking forward to!

Shenzhen Mayor on Development Plan

HK1802094192 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 11 Feb 92 p 1

[By staff correspondent Li Kefu (2621 0344 1133): "Shenzhen's Development Goals for Coming Decade—Interview With Shenzhen Mayor Zheng Liangyu"]

[Text] Living up to the expectations of the public over the past decade, Shenzhen has become the focus of world attention for its efficiency and growth.

Whither Shenzhen in the coming decade? Where is its position in the coordinate system of the economy of China and the world? This is a question of common concern. This reporter interviewed Shenzhen mayor Zheng Liangyu on these questions.

[Li Kefu] The recently adopted "Outline of Shenzhen's Eighth Five-Year Plan and 10-Year Program for National Economic and Social Development" proposed that Shenzhen's strategic objective for the coming

decade is: Serve as "file leader" in exploring the socialist road with Chinese characteristics, build Shenzhen into a comprehensive special economic zone with industry as the foundation and the tertiary industry as the mainstay, and with relatively advanced science and technology and a high level of agricultural modernization, an export-oriented, multifunctional international city, and a socialist "window" with economic prosperity and all-around social progress. We have noted the formulation "with the tertiary industry as the mainstay." Could you give us an account of this?

[Zheng Liangyu] We have proposed "taking the tertiary industry as the mainstay" from the following three aspects.

First, boosting the tertiary industry is the only way out and a must for Shenzhen's economic development.

Viewed from the development course of the developed nations, tertiary industry is inevitable following the development of the primary and secondary industries. Shenzhen's total industrial output value increased at an average of 66 percent over the past decade, total agricultural output value rose 8.1 percent, and export volume went up 69 percent. Gross national product increased from 196 million yuan to 13.5 billion yuan, an annual average increase of 46.9 percent, which further enhanced Shenzhen's economic strength. Withstanding the test of the international market, Shenzhen now has strong competitiveness. This creates the conditions for vigorously developing the tertiary industry.

Some people render the tertiary industry merely as "eating, drinking, and pleasure." In fact, the tertiary industry includes commerce, trade, finance, information, storage, consultation, transportation, post and telecommunications, tourism, real estate, and the trades serving production and export. It is actually an intellectual intensive trade. By developing the tertiary industry, we can serve Shenzhen's economy as well as China's economy as a whole.

Second, Shenzhen has unique conditions for developing the tertiary industry.

Being adjacent to Hong Kong is one of Shenzhen's topographical advantages. Shenzhen has the conditions for building a deep-water port, which is conducive to foreign trade, storage, and transportation. Thanks to the decade-long reform, Shenzhen's financial system has developed markedly. There is a full set of policies for attracting foreign banks and there are now 17 foreign-funded banks in Shenzhen. The city is also selected to undergo the experiment of stock exchange, and the stock market is becoming active with each passing day. With 86 foreign trade representative organs here, Shenzhen has many channels for its information industry. The country's major computer manufacturers all have branches here. It is likely that Shenzhen will become an essential base of software production. With these basic conditions, Shenzhen will become a center for the flow of materials.

Third, Shenzhen's tertiary industrial development is required by the central authorities and the whole nation. We need to build a number of cities like Hong Kong which can perform economic functions. For this reason, Shenzhen should accelerate the pace of its tertiary industrial development. In developing its tertiary industry, Shenzhen is not scrambling for interests with Hong Kong. Instead, it wants to complement and cooperate with Hong Kong in various fields.

[Li] You said that Shenzhen would become an export-oriented and multifunctional international city in the next decade. What efforts are to be made for Shenzhen to attain this goal?

[Zheng] An international city cannot be proclaimed by oneself; it should be recognized internationally. Regarding Shenzhen, it should become a regional trade center with finance, port, exhibition, and tourist facilities.

Above all, Shenzhen should regard market internationalization and diversification as the guide of the economy of the special zone in the coming decade. As for the market system of the special zone, it is necessary to carry out reform experiments at a deeper layer so that Shenzhen's market operation mechanism can be linked to the general practice of the international market, the special zone can genuinely enter the international market and take part in division of work and competition in the international market, and further upgrade the export-oriented economy of the special zone.

In urban construction, we will meet the requirements of a modern, international city and continue to maintain a high standard. We will also improve the management level and strive to make the city tidy, beautiful, safe, and civilized. Shenzhen's transport and communication lines should radiate in all directions. The airport which just went into operation should gradually be opened comprehensively. Construction of the Lantian deep-water port is in full swing and post and communications facilities will continue to be improved. It is especially important to increase our efficiency and create conditions for carrying out international exchanges. At the same time, Shenzhen should participate in regional economic and technological international organizations for the sake of expanding its external cooperation and exchanges.

[Li] As the Shenzhen special zone is entrusted with the historic mission of reform and opening up experiment, what deep level explorations and experiments will Shenzhen conduct in the coming decade?

[Zheng] In the next decade, we will take creation of "Shenzhen efficiency" as the focus of the entire economic work. By effecting a change in enterprise operation mechanism, we will turn enterprises genuinely into relatively independent producers and operators of a socialist commodity economy. We should introduce enterprises to the market so that they will seek existence and development amid market competition. We must establish and improve a self-restraint mechanism for

enterprises so that they can genuinely carry out independent operation, assume sole responsibility for their profits and losses, and develop and restrain themselves. In the course of economic development, it is quite normal for some enterprises to develop while others close down. Hence, we will gradually introduce the mechanism allowing the best to survive.

In the reform of the enterprise internal mechanism, it is necessary to thoroughly smash the "big pot" in distribution, the "iron rice bowl" in labor system, the "iron chair" in personnel system, and gradually establish a stimulation mechanism in light of the socialist principle of "distribution according to work." In personnel affairs, we should encourage the best to stay and the mediocre to leave, punish those who violate discipline, and never place "a loser general" in office. At the same time, we should pay attention to the social security system and other auxiliary reform measures. A change should be effected in government functions from direct management to indirect management. The government should simplify administrative procedures and delegate powers, exercise macrocontrol and management over enterprises, not directly meddle in enterprise operation, and create a fine external environment for enterprises.

Shantou Experiences 'Triple Jump'

HK1802112292 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Feb 92 p 1

[Article by staff reporter Li Kefu (2621 0344 1133): "Shantou Special Economic Zone's 'Triple Jump'"]

[Text] Traversed by the Tropic of Cancer, Shantou made a triple jump in 10 years, its area expanding from 1.6 square km to 52.6 square km, and then to 234 square km.

The land which was uncultivated and covered only with cactus is now a forest of tall buildings and factories:

A "market town with buildings and boats from all countries" has recaptured its youthful splendor and is now more prosperous and more captivating:

Chaozhou and Shantou people, known for their "expertise in industry and business," have once again set off an upsurge of "reclaiming treasure from the sea" and launched the boat of economy in the ocean.

Shantou's "triple jump" is not restricted to the expansion of its boundaries, but spells some epoch-making tremendous changes. Seeing the metamorphosis of Shantou, Gu Mu, vice chairman of the Chinese People's Political Consultative Conference National Committee, wrote the inscription: "The Most Remarkable Is Found in the Seemingly Ordinary—Hardship Underlies All That Appears Effortless." What feeling is expressed in these lines!

In building Shantou Special Economic Zone [SEZ], the first encounter was with a profound change of concepts.

On a series of major issues concerning how to run the SEZ well, the pioneers of Shantou SEZ attached importance to constant adjustment of ideas and renewal of concepts. Through their explorations over the years, their thinking has transcended the simple sphere of building Shantou into an export-oriented processing industry zone, and they have started making headway toward building a comprehensive SEZ. Facing the reality wherein the reform and opening up are unfolding on a mammoth scale in the country and the competition is intensifying in all respects, they have started to seek self-improvement by building up internal strength, as opposed to the previous dependence on special policies. In the course of improvement and rectification, they have, in a dialectical manner, handled well the relationships between making progress and stepping back; preserving certain projects and suspending others; seeking speed and enhancing efficiency, improvement-rectification and reform-opening—which has brought sustained, steady, and coordinated growth to the SEZ's economy.

The Shantou people have offered a blueprint for the construction of a new-type SEZ with their enterprising, pioneering, and innovative ideas. Over the past 10 years, they have concentrated their financial resources and manpower on infrastructure and productive construction. The Longhu industrial district, Zhuchi industrial district, district for investment by Taiwan businessmen, district of ports, district of agriculture and fishery, banking and commercial district, tourist and residential district, Guangdong-Macao Donghu industrial district, Houjiang industrial district, Shiling industrial district, and so on, have all been set up. The SEZ has also built a network of roads with a combined length of 62 km, a 3,000-tonnage dock, and opened the marine transportation service for both cargo and passengers from Shantou to Hong Kong and entrepot ocean shipping service. A program-controlled telephone system with 130,000 lines has closely linked up Shantou with more than 260 cities in over 60 countries and regions. The water supply system and sewerage are complete and power plants and transformer substations have gone into operation one after another.

To match the development in the above-mentioned areas, a batch of facilities providing necessities and services, such as banks, hotels, shops, schools, kindergartens, workers' living quarters, commercial blocks, apartments for businessmen from abroad, amusement areas, and comprehensive markets, have been completed. Everyone who visits Shantou praises this brand-new urban center erected on the formerly uncultivated hill.

The "special" lies in the city's attention to foreign interests and the need to participate in international economic exchange and cooperation to a greater extent and on a wider scale.

Such natural conditions as a large population, scanty land, insufficient energy, and poor communications were once a drag on the construction of Shantou SEZ.

Some people had misgivings about whether or not a foreign-oriented economic pattern could be set up under such conditions. It was Comrade Deng Xiaoping's remark, namely, that one has to "blaze a new trail with blood" in building a SEZ, that gave encouragement to the Shantou people.

Despite the many disadvantages, Shantou did have its advantages, namely, abundant labor, some foundation in light industry, large numbers of Chaozhou and Shantou natives living abroad, and frequent international economic contacts. The people in Shantou SEZ gradually came to the realization that as long as they could keep in control the steering wheel of its "special" emphasis on foreign-oriented operations, persist in using the international market as the guide and the upgrading of foreign-oriented economy as the focus, and develop their strong points and avoid their weaknesses, they were bound to be able to find a way out.

Over the years, the hardware [ying jian 4289 0115] and software [ruan jian 6516 0115] of Shantou SEZ have developed a relatively strong attraction for foreign investors. From 1983, when the first foreign-invested enterprise entered the SEZ, to the end of August 1991, a total of more than 1,200 projects involving the use of foreign investment were approved and businessmen from 15 countries and regions came to invest and set up factories, the destinations of such investments covering more than 20 trades. When the SEZ's foreign trade made its first step in 1989, the total export volume of that year was not even \$4.5 million. But the figure rose to \$500 million in 1991. There are nearly 1,000 varieties of major export commodities in 20 categories. A multilevel and multi-channel foreign trade pattern in various forms characterized by the integration of direct trade and indirect trade, of domestic enterprises and foreign enterprises, and of "three processings and one compensation" and ordinary trade, has come into being.

Over the past 10 years, Shantou's ties with the international economy have become closer and closer. Among the five SEZ's of China, Shantou is the smallest in area, yet the volume of foreign investment it has absorbed is the second highest and it has created two national records: Over 70 percent of its industrial products have entered the international market and 80 percent of the products produced by the partially or completely foreign-invested enterprises which have gone into operation are for export sales. This clearly shows the characteristics of a foreign-oriented economy.

A "small head" is followed by a "gigantic tail" and the "file leaders" are leading a "large army." The momentum radiates to the rest of the country as a catalyst. China's economy is "rolling" from the coast to the hinterland. Like other SEZ's, Shantou SEZ is responsible for activation and promotion.

With the economic strength of Shantou SEZ growing, the function of radiating its momentum to the rest of the country has been constantly displayed in various forms.

There are 550 enterprises in Shantou SEZ. They have over 2,500 processing centers in various counties through foreign-assisted processing [wai xie jia gong 1120 0588 0502 1562], employing nearly 120,000 workers. Huadabao [5478 6671 1405] Ceramics Manufacturer, located in the SEZ, orders white ceramic base from Chaozhou, the ceramics town, every year and then turns it into imitation ceramic antiques through precision processing before marketing them to Europe and America. This alone brings nearly 10 million yuan to the cooperation centers each year. The SEZ, in conjunction with the hinterland, has established, and supported, bases for the production of primary agricultural products, imported improved varieties and advanced processing, preserving, and packaging techniques, thus integrating growing and breeding, processing, and exporting into a vertical process. For instance, eel-breeding bases have been set up in rural areas and a smoked eel factory has been set up in the SEZ, for developing the advanced eel-breeding technology and smoked eel production line imported from Japan. The annual export of smoked eel is worth nearly \$15 million.

Shantou also plays an intermediary role in connecting the hinterland with foreign investments. There are now 48 such "Chinese-Chinese-foreign" joint-venture or cooperative enterprises. For example, Shantou, in cooperation with the enterprises in the hinterland, made a joint investment with Japan in producing anticarcinogen, saving large amounts of foreign exchange for the country every year. Besides, it has played a significant role in providing information for the hinterland, establishing channels for international marketing, and training people with expertise in foreign trade.

The jump that Shantou has made boosts the confidence of the pioneers.

Saying goodbye to the past 10 years, the people in Shantou SEZ are, in their brave spirit, making big strides ahead.

'Bright Prospects' for Xiamen

HK1802101592 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Feb 92 p 3

[Article by staff reporter Zhang Annan (1728 1344 0589): "Strength of Policy—What Xiamen Special Economic Zone's Rapid Development Reveals"]

[Text] Every time I come to Xiamen Special Economic Zone [SEZ] to cover news, I experience something new. During a recent trip to the SEZ, I was deeply touched by its leaders' insight and knowledge in decisionmaking.

Grasp the Opportunity for a "Triple Jump"

First decision: Grasp three opportunities to develop Xiamen's strong points.

Xiamen's geographical superiority is that it is only a narrow strip of water from Taiwan.

In 1979, Comrade Deng Xiaoping proposed the idea to establish SEZ's, to explore experience in building socialism with Chinese characteristics. For Xiamen, it was indeed a "good chance granted by heaven." On New Year's Day of 1980, "Gulangyu," the large passenger ship, set sail from Xiamen port and passed through the waters near Datian and Ertan Islands, which had Kuomintang garrisons, for a successful maiden voyage to Hong Kong. This gave a beam of peaceful light to the Taiwan Strait, which had been covered with gunsmoke for 32 years, as well as adding an opportunity for Xiamen to establish an SEZ. The decision makers in Xiamen promptly submitted to the CPC Central Committee and the State Council the "Report on Building Xiamen SEZ," and in October the same year, the State Council gave official permission for Xiamen to use 2.5 square km of land in Huli to establish a SEZ.

The SEZ of 2.5 square km rapidly took shape, but the area was too small and great development was impossible. In the spring of 1984, after Deng Xiaoping and other central leaders inspected Xiamen SEZ, the CPC Central Committee and the State Council approved other requests by Xiamen. It was pointed out: "This is an important arrangement for developing the economy in the southeastern parts of our country, and, in particular, for strengthening work concerning Taiwan, and for promoting the undertaking in reunification of the motherland." This decision put Xiamen SEZ's affairs concerning Taiwan in a very important position, giving a more profound meaning to its opening up to the outside world. At that moment, under the pressure of appreciation of Taiwan dollars and a shortage of labor, Taiwan enterprises were anxious to shift their capital elsewhere, and the opening door of the Xiamen SEZ provided them with a broad road. No wonder the U.S. "COMMERCE DAILY" [SHANGYE RIBAO] exclaimed: "Despite strict prohibition by the law of the Taiwan authorities, group after group of Taiwan people are still coming to invest in Xiamen."

Along with the expansion of Xiamen SEZ to the whole island, in recent years there appeared an investment craze with Taiwan businessmen as the mainstay; as of the spring of 1989, more than 600 enterprises were approved. The Xiamen Island, which is only 131 square km in size, could not cope with the flood of funds from Taiwan. Seeing such a trend, the decision makers in Xiamen grasped the opportunity and submitted a report requesting the establishment of an investment zone for Taiwan businessmen outside Xiamen Island. In May 1989, the State Council approved Xinglin District and Haicang Town to become SEZ's administered by Xiamen City. As development zones for encouraging Taiwan businessmen to invest, both Xinglin and Haicang enjoy SEZ policy. This new decision enabled Xiamen SEZ's pattern to materialize a "triple jump" from Huli to the whole island, then, to places outside the island, with an area of 260 square km—100 times larger than the original SEZ of 2.5 square km. Hence, the outward structure revealed the high degree of opening of

the coastal city, while the inward structure increased the economic strength for opening up to the outside world. This was an encouragement to many Hong Kong, Taiwan, Overseas Chinese, and foreign businessmen, and there was another investment craze. As of October 1991, a total of 1,171 foreign-invested enterprises were approved, involving contracts on investments amounting to \$3.48 billion, of which \$1.17 billion came from Taiwan, which was more than one-third of the Taiwan investment in the mainland.

Starting From "Brick"

Second decision: Build the SEZ beginning with the construction of infrastructure, and develop the SEZ with the improved infrastructure.

Although Xiamen had an airport in 1928, it laid idle a long time ago. Without an airport, how can there be convenient transportation? This is also true for the port, water supply, power, and communications; without solving the backward infrastructure, and without increasing the SEZ's function as a carrier, there is no point in talking about other things.

The decision makers in Xiamen did not rely on property speculation to earn hard currency, but started their work from "a brick." The "mansion" of Xiamen must be built by using every single brick, and the first individually owned enterprise approved in Xiamen SEZ was the Yinhua Floor Brick Factory. At that moment, I was fascinated by this extraordinary decision, and I canceled my plane ticket to Beijing to attend the ceremony marking the beginning of its production. Seven or eight years have elapsed, and the current scale and output of the factory have increased several times. Mr. Chen Yingdeng, the general manager, is busy planning a new factory building. Assistant General Manager Chen Hui, his son, said: "Thanks to Xiamen SEZ for giving us a chance to succeed!"

The investment in the construction of infrastructure was very big, and Xiamen employed the special policy granted by the central authorities to boldly utilize foreign funds, trying to raise construction funds through various channels. The construction of Xiamen International Airport was an example of successful utilization of foreign funds. They borrowed \$20 million from Kuwait, and took 20 months to finish building the airport and were able to put it into operation. At present, the number of passengers handled by Xiamen International Airport surpasses 1 million each year, ranking it 6th in the country. The second phase of the Dongdu Port project and the project of expanding the supply of tap water were also built by using loans from the World Bank and Japan. In the past 10 years, through use of foreign funds and self-accumulation, Xiamen's direct investment in infrastructure amounted to 1.289 billion yuan. Along with the peak of investment made by foreign businessmen, a new round of investment in building 10 major infrastructures, amounting to 2.1 billion yuan, has already had the curtain raised. The Xiamen Bridge has

been built ahead of schedule. This is China's first bridge over a strait, as well as a starting point from where Xiamen SEZ walks toward a new era.

Emphasize "Taking It By Strategy"

Third decision: Use new perspective and methods to reform the old city and enterprises.

Unlike the three SEZ's of Shenzhen, Zhuhai, and Shantou, Xiamen runs its SEZ in the old city. How can it walk in front of the whole country from the starting point of the old city's old function and old enterprises' old facilities? The several party secretaries and mayors of Xiamen all said that to reform the old city and old enterprises, they should not compete with others for funds or facilities, but should emphasize "taking it by strategy." Xiamen has a developed educational foundation, and the ratio of people with a university education to the total population is six times higher than the average level in the country. So-called "taking it by strategy" means that, on this good basis, we should skillfully use the wisdom of all mankind to develop ourselves, and borrow the world's advanced technologies for our own use. It is not the "style of following rules" or the "style of catching up and surpassing," but the "style of leaps and bounds." They started from a higher point, struggled for a time, looked for shortcuts, and reduced differences. They imported the new technology of color sensitization from U.S. Kodak, which is called the "peak of sensitization in the world," enabling China's sensitization industry to leap 20 years forward. This is a wise decision.

Xiamen SEZ, using the strength of this kind of decision-making, ushers in bright prospects for rapid economic development.

Commentary Lauds SEZ 'Miracles'

HK1702102992 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Feb 92 p 1

[("Short commentary": "Praising the Spirit of 'Daring to Break Through'")]

[Text] The special economic zones in Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan have been set up for more than 10 years. Their development speed and construction achievements are indeed commendable. The miracles were created through painstaking efforts. Their rich experience can be summed up from different angles, but in general can be summarized by the simple words—"daring to break through!"

Building socialism with Chinese characteristics is a brand-new undertaking without precedent. We also cannot learn from any ready experience in realizing socialist modernization in the land of China through combining the basic principles of Marxism with China's specific realities; still less can we copy any ready-made model. What we can do is proceed from reality and make bold explorations by doing solid, down-to-earth work.

To learn to swim, one must go into the water. In a word, we must have the courage to make breakthroughs in the general orientation of building socialism with Chinese characteristics and to blaze new trails of a scope that has been traveled by no one before.

Running special economic zones is a new job. In order to make the special economic zones "pacesetters" for our country's reform and opening up, they must have the spirit of "daring to be the first to eat crabs" and must have a strong sense of urgency and mission. Under the current changeable international situation, passive waiting and hesitation will only reduce us to a vulnerable position of being attacked and despised by other nations. Therefore, we must be bolder in carrying out reform and opening up and quicken our pace in order to boost our national economy as quickly as possible. This is our historic mission. Of course, when doing things that have never been done by any people before, one may encounter risks and make errors. However, this is still better than doing nothing. Making detours and paying certain costs is unavoidable. We should not make a fuss about this. The key lies in being good at learning lessons and summing up experience. In short, first, we should not be hesitant for fear of making mistakes; second, we should immediately take measures to correct what is wrong as soon as mistakes are discovered.

The practice of the special economic zones shows that they are competent as "pacesetters." By advancing along the course of building socialism with Chinese characteristics, our cause will certainly be full of vigor and promise.

Li Peng Lauds Sichuan's Anti-Poverty Fight

OW1902034192 Beijing XINHUA Domestic Service in Chinese 2114 GMT 18 Feb 92

[By reporter Mao Chaojin (3029 2600 2417) and JIN-RONG SHIBAO reporter Cheng Lifu (4453 4409 4395)]

[Text] Chengdu, 19 February (XINHUA)—Premier Li Peng recently praised Youyang Tujia and Miao Autonomous County, which used to be an exceedingly poor and disaster-prone county in Sichuan, for its success in fighting poverty through agricultural insurance programs. Peasants of all nationalities in the county have now resolved their basic food and clothing problems of last year.

In 1991, the per capita food grain consumption and net income of the county's 600,000 peasants jumped to 435 kg and 375 yuan, respectively, from 300 kg and 200 yuan in the past, and it promptly became the first minority county in Sichuan to have fought off poverty.

Youyang is a county in which people of the Tujia and Miao nationalities live in compact communities. Hilly and frequently hit by natural disasters, it used to be a poor county entitled to assistance according to a State Council decision. To help the county fight poverty, the Sichuan Insurance Company and the Youyang County

Insurance Company stationed personnel in the county to help its people fight poverty through insuring their agricultural production projects. Over the past three years, the two companies have provided county residents insurance against losses of their shelters, property, farming and breeding operations, and rural enterprises, and personal insurance for village and township cadres. The county's insurance revenue increased to 5.277 million yuan last year, a 2.5- and 6-fold jump from those of 1990 and 1988. The companies have also paid indemnities exceeding 2.4 million yuan over the three-year period.

Rejuvenating agricultural production through science and technology and supporting the county's agricultural construction projects are special features of the county's insurance programs. As a result of cooperation between the county insurance company and the county's agricultural technology department in insuring the development of cross-bred corn and rice, the county's per-mu rice yield has increased more than 50 kg and the average per-mu corn yield has increased by approximately 100 kg.

Yunnan's Pu Chaozhu Discusses Economic Growth

HK1202061292 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 30 Jan 92 p 3

[Article by Pu Chaozhu, secretary of Yunnan Provincial CPC Committee: "Yunnan Advances in the Course of Opening Up and Development"]

[Text] Yunnan is a rich and beautiful frontier land of the motherland and is situated at the forefront of the opening of the great southwest to the outside world. Since the Third Plenary Session of the 11th CPC Central Committee, we have embarked on our own road in the development of Yunnan's natural resources by upholding the party's basic line; promoting the opening up through reforms, development through opening up, and growth through development; closely integrating the prevailing realities of Yunnan; seeking truth from facts; and complying with local conditions. Thanks to the arduous struggles of the province's 37 million people of different nationalities, the first-step strategic objective in economic development was achieved ahead of schedule and economic might boosted, transforming this period into one which saw the fastest economic growth in our province since the birth of the PRC.

In tapping resources, we have adhered to this basic idea: Build a solid foundation revolving around agriculture, rely on light industry to increase accumulations, give priority to the development of energy and transportation, and promote overall economic progress. In actual undertakings, we always held a firm grasp of agriculture, this basic industry which is essential to national wealth and stability, by promoting steady- and high-yield farmlands, boosting grain production to a new height, and realizing basic self-sufficiency. The rise in grain production created the conditions for a readjustment of the

industrial structure in the countryside. Last year, our province's flue-cured tobacco production was more than four times higher than it was 10 years ago; sugar cane production tripled; tea leaf production doubled; rubber, lumber, herbal medicines, spices, fruits, and winter vegetables production also multiplied rapidly. Even as we developed the production of raw materials, our province also poured 3 billion yuan renmibi and \$750 million into the cigarette industry over the past decade to carry out large-scale technological innovation in the industry and import eight production lines. The "double cigarette," whose quality and production volume rank first in the country, is also a principal source of revenue in the province. In the sugar manufacturing industry, we invested 850 million yuan, constructed 84 new sugar manufacturing plants, and renovated or expanded 32 others, resulting in an annual sugar production volume of more than 600,000 tons and making the province an important sugar production base in the country. In the processing of tea leaves, more than 3,000 preliminary tea leaf processing centers and 85 tea refining plants are scattered in the tea-producing areas of the province. Some 9,000 tons of tea leaves are exported annually and more than 20 million dollars in earnings generated. Today, the output value of industries which use farm and supplementary products as raw materials accounts for 85.3 percent of the output value of light industry in the province and 43.4 percent of the entire province's industrial output value, and its realized tax and profits account for more than 70 percent of the province's industry. The development of these superior industries has fundamentally changed the situation of 10 years ago wherein imports of commodities were higher than exports. A number of commodities are now being exported to national and international markets in great volume. Financially, the province also no longer relies exclusively on state subsidies and has began to contribute to the state as well as accumulate capital for itself.

While the development of superior industries like tobacco, sugar, and tea has yielded certain results, judging from Yunnan's resources and conditions, our province remains an untapped treasure land. Beneath this treasure land are huge deposits of nonferrous metals, phosphorus, and coal awaiting to be exploited; above the ground are abundant water, forest, tropical, animal, and plant resources. Furthermore, exotic natural landscapes, unique ethnic colors, ancient history, and civilization endow Yunnan with a very promising prospect for development of the tourism industry. To transform these resources into economic benefits, we need to boost the agricultural foundation further and give full play to the industrial strengths in tobacco, sugar, and tea by accelerating the technological advances of enterprises; step up the building of infrastructures in transportation and energy; give priority to the simultaneous development of the four major industries: phosphate chemical, rubber, steel and nonferrous metal, and paper manufacturing; create the conditions and lay the foundation for the

development of industries like machinery, optics, electronics, measuring devices, tourism, perfumes, and pharmaceuticals; vigorously promote processing industries anchored principally on our province's raw materials and take the road of profound and sophisticated processing to continue enhancing the supplementary value of products. To achieve the aforementioned objectives, we will insist on "education as the foundation, and the promotion of Yunnan through science and technology," and adhere to the principle of integrating the exploitation and development of resources by the state with the local ethnic economy, and integrating urban processing industries with rural raw materials bases.

The 1990's will be a crucial period in the development and rejuvenation of Yunnan's economy. According to our plans, we will carry out 35 major construction projects, the completion of which will actively boost our province's efforts to tap its resources. Regarding energy, the entire province's installed capacity rose from 3.29 kw [kilowatts] in 1990 to 8.50 kw; annual generated power rose from 12.5 billion kwh [kilowatt-hours] to 34.5 billion kwh. Raw coal production increased from 22.26 million tons to 42 million tons. In transportation, the railway lines from Nanning to Kunming, Guangtong to Dali, and Kunming to Yuxi will soon be opened to traffic; the overall renovation of main highways centered in Kunming and leading to neighboring states, like the Yunnan-Myanmar [Burma], Kunming-Luoyang, and Kunming-Hanoi highways, will make up the province's high-grade highway network. Along with the upgrading of the Kunming-Hanoi railway, opening of the international waters like the Lancang Jiang and the Meikong He, which leads to Myanmar, Laos, Thailand, Cambodia, and Vietnam; development of sea transportation along the Hong He to Vietnam; the renovation and construction of 10 airports around the province; and the development and opening of international air routes from Kunming to Rangoon, Hong Kong, Singapore, Bangkok, Chiang Mai, and Hanoi, a new situation will emerge in the opening up of Yunnan to the outside world, enabling it to progress from the Southeast Asian to the Asia-Pacific region. In 2000, our province's production of steel and 10 kinds of nonferrous metals, as well as phosphate, phosphate fertilizers, phosphate chemical products, rubber, and paper, will undergo a dramatic increase, while the tertiary industry anchored on tourism will also take off with flying colors.

Looking to the future, we sincerely welcome visits, investment, and cooperation in the tapping of resources from Overseas Chinese, Hong Kong, Macao, and Taiwan compatriots; and foreign friends to promote a faster development of Yunnan's economy.

Jiangsu's Chen Huanyou on Structural Readjustment
HK1302071392 *Beijing RENMIN RIBAO* in Chinese
29 Jan 92 p 5

[Article by Jiangsu Governor Chen Huanyou (7115 3562 0645): "Sum Up Practical Experience, Carry Forward Structural Readjustment"]

[Text] The key to economic work today is to change to structural readjustment on the basis of maintaining the balance of overall volume. Jiangsu has unfolded industrial restructuring in a planned way since July 1990. Reviewing practice over the past year and more, we find that we have grasped work in the following areas.

I. Continuously Unify Thinking

Industrial structural readjustment involves the reasonable layout of productive forces and readjustments in various interest relationships. This being the case, to conduct structural readjustment primarily involves "unifying thinking."

First, it is necessary to review the causes of economic fluctuations, and understand the imperativeness of structural readjustment. When we began to make arrangements for readjustment, we earnestly reviewed economic work in the late 1980's, and everyone came to see the great economic fluctuations had their roots in great industrial fluctuations, while industrial fluctuations had their cause in conspicuous structural contradictions. The development of the processing industry, the raw materials industry, and the general processing industry; new and high technology; and levels of production rates were not coordinated, and the levels of techniques and equipment and economic scale were not high. This impeded the supply of raw materials and sales of products of processing industries; hence delay in industrial structural readjustment could not be afforded. Through the review, the unwillingness to readjust on the grounds that products were temporarily marketable, the idea of waiting for an economic rebound, and the fear of running into risks in readjustment were initially resolved.

Second, the emergency nature of structural readjustment was keenly felt through analyzing the actual conditions of recovery of production in the wake of natural disasters. Under the circumstance that an extraordinarily great flood swept across the province shortly after readjustment began, we guided people to see, by linking to the actual conditions after the flood, that the growing contradictions between the production capacity of the processing industry and the cutback in raw materials derived from farm and sideline produce and between the quality and variety of existing industrial products and the changes in market demand involved the combination of recovery of production and structural readjustment, while guarding against recovery of production in a simple way, which would lead to the overstocking of new products. At the same time, linking to the conditions of recovery of production in the wake of the flood, we guided people to see the fact that all those enterprises that had scored marked results in structural readjustment recovered production rather fast in the wake of the flood, whereas those enterprises that had not conducted structural readjustment remained in an impasse even if they had not been afflicted by the flood. The actual conditions after the flood and the condition of recovery of production enabled people to see the emergency nature of accelerating structural readjustment.

Third, we summarized practical experiences, and augmented faith in structural readjustment. On the basis of resisting the flood and providing relief and initial success in recovery of production, we called an on-the-spot meeting on exchanging experiences in industrial structural readjustment, which helped people see the imperativeness as well as the possibility of industrial structural readjustment. Wuxi had a clear train of thought for industrial structural readjustment; they regarded the market as guidance, with new products taking the lead, thus enabling the readjustment of product mix, with a rise from quantity to quality, while regarding construction of machine-building as the base to promote the effective implementation of structural readjustment. More importantly, they imported technology to develop products, occupying the market rather quickly and with rather a high grade of products, technical equipment, and managerial level. Practical experiences are eloquent. When people saw and heard about Wuxi's experiences, it further augmented their faith in doing a good job of structural readjustment.

II. Grasp Organizational Implementation Firmly

Industrial structural readjustment is systematic engineering. The product mix, structure of trades, technical setup and enterprise organizational structure inside an industry should be readjusted in a comprehensive way, while it is necessary to link its entire external industrial structural readjustment. Overall planning should be carried out while implementing readjustment step by step. In the wake of our formulating the plan for industrial structural readjustment and including it in the province's 10-Year Program and Eighth Five-Year Plan, we firmly grasped organizational implementation while exploring some sound practice in implementing the plan.

Proceed from readjusting the product mix. In socialist commodity economy, the competition between enterprises chiefly finds expression in the competition between products. An enterprise is void of vitality chiefly because its products lack competitiveness. Product mix also has a great bearing on whether or not the economy of a trade or a locality is full of vitality. If industrial structural readjustment proceeds from readjusting the product mix, the effects will be rapidly felt, with economic strength augmented, while it will push other structural readjustments. In readjusting the product mix, various places in the province adhered to basing themselves on the existing foundation, expanding the output of good quality and famous-brand products, and improving the quality of marketable products while developing new products and varieties to shape into a number of products with advantages. They adhered to proceeding from the actual conditions of the processing industry in the main in conducting structural readjustment in raw materials and the market to resolve the problem of supply, production and marketing being out of joint. In structural readjustment of raw materials, products with a rather high technology content gradually replaced those with a rather high materials content. Regarding the market structure, the unitary market in

urban or rural areas and domestically or overseas was changed into an opening one in a comprehensive way, with market conditions determining output and the market promoting production. Goods with a high-tech content and high market capacity were developed to create high profits and bring in large amounts of foreign exchange with low energy and material consumption, while eliminating unmarketable goods through selection.

Exert efforts in technological structural readjustment. The province's market for industrial products was weak last year because of weakness in product variety and quality, which had their root in the low level of technological structure. The key to industrial structural readjustment lies in readjusting technological structure to improve industrial quality by relying on progress in science and technology. To a large extent, whether or not the industrial technological level is improved determines whether or not industrial structural readjustment is successful. From the very start of readjustment work, we earnestly implemented the strategic concept "science and technology are the primary productive force" to give play to the guiding role of industrial policy and technological policy. We regarded enterprises as the main battlefield in spreading advanced and applicable science and technology, and tackled bottlenecks in crucial issues in production by organizing the joint efforts of scientific research centers and enterprises to promote enterprises' taking the road of progress in science and technology. Regarding new technology as a breakthrough point, the pace of turning results of important new high technology into commodities and their industrialization was accelerated to step up the pace in transforming traditional industries with new and high technology. In addition, we further implemented, in batches and stages, such policies as raising depreciation rates as well as retention of development funds for new projects, and utilizing foreign investment to conduct technological transformation, while raising the proportion of bonuses for technological renovation and invention and rational proposals on bonuses to gradually shape a stimulation mechanism for promoting progress in science and technology.

Regard the organizational structural readjustment of enterprises as the juncture of various structural readjustments. The industrial setup includes the product mix and the structure of trade, technology, and enterprise organization. Readjustment work should be conducted in an organic way across the whole range. Enterprises are cells in the national economy and the carriers of various structures, whether it be readjustment of the product mix or of technological structure; they will be implemented in enterprises, with the enterprise organizational structural readjustment being the juncture. Many enterprises in Jiangsu's industrial enterprises fall into the small-sized category, with a low degree of organization; hence their grave waste of resources and low economic returns. With the progress in industrial modernization, it is the general trend to realize economic scale to gain structural effects. In line with the requirements of specialization and socialized mass production, we based ourselves on

existing enterprises to optimize formation, improve the degree of industrial organization and overcome the defects of "those in a superior position having no momentum" and "multiple births" [as published]. At the same time, we formulated policies and measures to improve the external environment and augmented internal management to do a good job regarding large and medium-sized enterprises. On this basis, we promoted horizontal combination, pushed forward the circulation of assets to develop enterprise groups, and shaped a rational economic scale. Thus, the product mix and technological structure were further readjusted.

III. Increase Strength of Tuning and Control

Industrial structural readjustment calls for the comprehensive application of economic, administrative and legal means, but chiefly the economic means to strengthen the power of tuning and control to form a competition mechanism characterized by survival of the fittest to ensure the effective progress of structural readjustment. Under the prerequisite of taking into full consideration the tolerance capacities of all aspects, we augmented the strength of national and provincial macroscopic tuning and control, and genuinely succeeded in fulfilling several things that have a bearing on the whole situation of industrial structural readjustment.

Firmly implement the state industrial policy. An important foundation for industrial structural readjustment is the state industrial policy. In readjustment work, we proceeded from Jiangsu's realities in focusing insurance and support on some products and items whose development is encouraged by the state industrial policy, while giving active guidance on and moderately controlling some products falling in line with the state industrial policy and in great demand on the market. Regarding those products whose development is restricted by the state industrial policy but which are still in great demand on the market, with scarcity of such enterprises in the province but certain advantages, their cases were handled according to specific conditions. As to those products whose production is explicitly ordered banned in the state industrial policy, their transformation and construction were strictly banned, with some given a deadline for production suspension or elimination through selection. In the province's Eighth Five-Year Plan, 45 key products and projects and six special projects for technological transformation are stipulated, which embody the requirements for a high starting point. At present, organization of their implementation is being firmly grasped. The province has also stipulated the first batch of 88 items of products to be restricted, 51 items to be eliminated through selection, and 24 categories of technology and technical know-how to be eliminated through selection during the Eighth Five-Year Plan. Their production has already been restricted, promptly eliminated through selection or is to be eliminated by a deadline strictly according to the stipulation.

Fully apply economic levers in regulation. Industrial structural readjustment calls for the application of such

means as price, tax rates, interest rates and exchange rates. Based on the state's arrangements, we further appropriately reduced the realm of state-set prices, while enlarging that of market regulation, in addition to lifting the restrictions on prices of a number of industrial products of daily use, freeing prices for all technical commodities, enlarging enterprises' say in fixing prices, and in a still wider range pursuing the price-setting method characterized by fixed consumption, wages, expenditures and profits, and floating prices. Development of energy resources and raw materials in short supply was encouraged; when projects in this category were completed, prices for their products could be set based on repayment of principal and interest. Development of new products and improvement of product quality were encouraged, while continuing to implement higher prices for better quality. Regarding products whose development was restricted, in approving their prices, their profit rates were restricted to below the trade's average profit. Regarding paying interest in the form of deductions when selling bills of exchange in finance, chiefly two funds were founded: one was a fund for paying interest in the form of a deduction when selling bills of exchange in technological transformation, used exclusively in key projects of technological transformation with the approval of the provincial authorities to accelerate technical transformation of key enterprises; the other was a fund for developing new products to promote their development and the industrialization of new and high technology. As to credit policy, the role of interest rates as a lever was given play in the main, with different interest rates implemented for different subjects in readjustment to embody the principle of supporting the superior and restricting the inferior. Interest rates on the loans of large and medium-sized backbone enterprises and key development products of the state and the province would no longer float upward. Regarding those products whose production was explicitly ordered restricted by the state and the province, loans to them were halted or recovered, with interest rates for the amounts in arrears floating upward. As to those enterprises seriously afflicted by the flood with difficulties in recovery of production, the interest rates for their loans could float downward within a 10 percent margin. Regarding taxation policy, development of key products and enterprises was supported through appropriate tax cuts or exemption, while encouraging exports to bring in foreign exchange, substitute imports, absorption and digestion. At the same time, development of 30 categories of products and "several categories of small-sized" enterprises was restricted.

Give greater play to the role of the market mechanism. The establishment of the economic operational mechanism characterized by combining planned economy with market regulation is the requirement for developing socialist planned commodity economy, as well as the requirement of industrial structural readjustment. The proportion of the province's economy under market regulation is increasingly growing, with goods whose prices are fixed by the market accounting for 70 percent

of the volume of goods, and goods and materials under market regulation accounting for 90 percent of the goods and materials in demand. In our industrial structural readjustment, we made guidance by the market explicit, while appropriately narrowing the scope of mandatory planning to give greater play to the role of market regulation in making arrangements for the procedures of industrial production, with the previous order, characterized by production, supply and marketing, changed to marketing, supply and production. We actively pushed forward price reform in a sure and steady way based on value concepts and the supply-and-demand relationship. Regional barriers were broken, with checkpoints removed to achieve fair competition so that the flow of goods could be eased. The consumer goods market was further completed and perfected, with the market for production materials expanded; at the same time, the monetary, technological, information, real estate and labor service markets were developed. Reform was conducted in the managerial mechanism of state-run commercial enterprises and supply and marketing cooperatives, with their roles as the main channel and reservoir given greater play. Giving greater play to the market mechanism's role in structural readjustment has created an environment for equal competition and survival of the fittest; this has augmented the pressure for readjustment, and economic vitality as well.

Readjusting the industrial setup to reinvigorate Jiangsu's economy is the major task today and for some time in the future. We adhere to regarding improving economic returns as the center, with the market as guidance, recovery of production, conducting restructuring, deepening reform, and developing the economy to do our best to include the entire national economy in a sound cycle as quickly as possible. In readjustment work, we adhere to adapting measures to local conditions, giving classified guidance, using the experience of selected units to promote work in the entire area, and continuously summarizing and spreading practical experiences to better guide the unfolding of general work and accelerate industrial structural readjustment.

New National Economic Accounting System Detailed
*OW160205592 Beijing XINHUA Domestic Service
in Chinese 2110 GMT 15 Feb 92*

[By reporters Wu Shishen (0702 3015 1347) and Wang Jianping (3769 0256 1627)]

[Text] Beijing, 16 Feb (XINHUA) — To meet the demands of a new economic operating mechanism that combines planned economy with market regulation, China will implement a new accounting system for the national economy on a trial basis, starting from 1992. Using scientific and rational structures and indices, the new accounting system is aimed at reflecting various types of flow and balances operating under the national economy and their interrelationship, thereby providing a reliable basis for macroeconomic policy-making and management.

According to the State Statistical Bureau, the new national economy accounting system, proceeding from the realities of a socialist planned commodity economy, has been established on the basis of summing up China's practical experiences and absorbing international scientific accounting systems and valuable experiences.

Since the founding of our People's Republic, China has adopted a national economic accounting system based on the "Material Product Balance Sheet System," which is suited to a highly centralized planned system. This system has played an important role in economic management in the past; however, it has several serious shortcomings: It does not fully reflect the development position of tertiary industry, especially that of a nonmaterial production department; it does not fully reflect the amount of flow of social funds and the balance position of assets and liabilities; and it does not fully reflect the connection and overall balance position between the various links in social reproduction. Since reform and opening to the outside world, the pattern of our economic structure and its operating mechanism have undergone significant changes. Under the new circumstances, to strengthen macroeconomic management and practice scientific decision-making, it is imperative to establish a new national economy accounting system that affords overall control of the operating position of our national economy and combines qualitative with quantitative analysis.

According to experts, accounting of the national economy is comprehensive and systematic accounting targeted at the social reproduction process. The new national economic accounting system is a macroeconomic information system designed to calculate, measure, and describe the entire national economy's operations. The new accounting system is composed of two parts, a social reproduction accounting sheet and an economic circulation account. It accurately and systematically reflects the operation of the entire national economy through internally related indices and scientific accounting methods. It has several salient features: 1) Its overall structure embodies Marxist principles of reproduction because it reflects overall the conditions, process, and results of social reproduction and of the total quantitative and structural balance in finance, credit, material, and foreign exchange, centered on the balance between total supply and demand. 2) It has assimilated the advanced experiences in accounting of national economies in the world, expanded and enriched the scope and content of accounting, and formed a comprehensive system suited to the needs of our country. 3) It has a better comparison function.

It is reported that since the end of 1984, efforts have been made to study and design a scheme for the introduction of a new national economic accounting system, and experiments have been conducted. Beginning this year, China plans to implement the new accounting system throughout the nation in two stages over a period of five years. During the first stage, a basic framework for preliminary implementation of a national economy

accounting system at state and provincial levels will be established in 1992. In the second stage, strenuous efforts will be made to perfect the accounting system so that by 1995, we shall be in a position to draw up a complete format for the entire accounting system more

precisely and set up an accompanying statistical indices system, thus forming an accounting system interlinking statistics, bookkeeping, and business accounting, and accomplishing a complete transition to a new national economy accounting system.

East Region

Anhui Workers Migrate to Cities in Other Areas

OW1902072492 Beijing XINHUA in English
0645 GMT 19 Feb 92

[Text] Fuzhou, February 19 (XINHUA)—As the Chinese traditional Spring Festival winds down, the railway stations in Fujian Province become increasingly more crowded with outside farmers who are hastily returning to their employers in the province.

Anhui Province has one of the largest rural labor forces in the country, and it has organized rural laborers to work in neighbouring coastal areas including Zhejiang, Jiangsu, Fujian, and Guangzhou, and in major municipalities such as Beijing and Shanghai.

Xiao Dai, a girl from Susong County in Anhui, worked in a famous garment plant in Shishi City in Fujian Province since last May. She told XINHUA that she earned more than five hundred yuan a month in the city.

Xiao Xu, a 19-year-girl from the countryside of Anhui, said that she had made money by working in a cassette tape factory in Shishi since last July.

Dai and Xu are among the 60,000-plus workers in the city's enterprises who are from other provinces. And now Anhui farmers can be found in construction and service industries in almost every major city around the country.

In recent years, more and more rural laborers from Anhui have flown into rural enterprises in other provinces and taken up more complicated jobs such as assembling electronic devices. They have greatly eased the labor shortage in other areas in the country. In Shishi City, a processing industrial base in Fujian Province, more than 80 percent of the workers in local enterprises are from Anhui and other provinces.

At the same time they helped to boost the province's rural economy. In Shishi City, Anhui workers have been trained by their enterprises, and have their income tied to profits of the enterprise. In turn, not only have they brought money back to their hometowns, they have also introduced advanced technology.

Shen Daren, Others at Scientific Work Meeting

OW1602021892 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 15 Feb 92

[From the "News" program]

[Text] On behalf of the provincial party committee and government, Shen Daren [provincial party secretary], Chen Huanyou [provincial governor], Sun Jiazheng, and Wu Xijun presided over an informal discussion with experts this morning to hear the views of some of the experts attending the provincial scientific and technological work meeting on developing Jiangsu Province through science and technology.

At the meeting, the experts spoke enthusiastically and presented their ideas and plans on how to bring prosperity to the province. The experts said that the current work meeting on science and technology convened at a crucial moment by the provincial party committee and government is a very important meeting. The concepts and measures presented at the meeting on developing the province with science and technology have grasped the focal points and inspired the people with confidence. The popular topic was the issue of qualified personnel. The experts held that science and technology competition is essentially a competition between qualified personnel. They proposed that proper attention be paid to providing continuous education. The present science and technology personnel must continue to study and keep their knowledge contemporary to meet the demands of modern development. It is necessary to further improve the working and living conditions of the intellectuals, formulate a policy of preferential treatment, and arouse their enthusiasm in order to absorb and retain qualified personnel. They believed that science and technology development must be founded on the general improvement of the workers' quality. It is necessary to vigorously develop educational projects—particularly to accelerate the development of vocational and technical education—and gradually establish a comprehensive system of technical education. They held that as various localities are vying to build high-technology development zones, Jiangsu Province must quicken its pace of development and must exploit new resources. Only then will there be enough vitality to accelerate the process of industrialization of our high technology and gain an edge in competition.

The experts also expressed their respective views on how to accelerate reform and promote the combination of economy with science and technology and education. They maintained that while further implementing scientific and technological guidelines, one must not apply the outmoded concept and methods of commodity economy to manage our economy, science, and technology. It is necessary to change regulations and restrictions in our existing management system that are not in line with integrating the economy with science and technology and education and to strive to establish new operating mechanisms. The experts further called for attention to the need to apply the scientific and technological spirit in motivating the whole society and cadres at all levels, to organize everyone to study the principle of treating science and technology as the first productive force, to equip oneself with the knowledge of science and technology, and to become a motivating force of the scientific and technological spirit.

Governor Chen Huanyou indicated at the meeting that efforts would be made to incorporate the valuable views put forward by those attending into the plans for implementing the scientific and technological guidelines.

Wu Guanzheng Speaks on Economic Construction

HK1902080692 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 11 Feb 92

[Text] While making an inspection of Ganzhou Prefecture, Governor Wu Guanzheng pointed out: It is necessary to free ourselves from old ideas and concentrate our efforts on economic construction in a bid to make the economy a success.

On the afternoon of the third day of the Lunar New Year, upon arriving in Ganzhou, Governor Wu Guanzheng, together with local party and government leaders, visited the Ganzhou [words indistinct] Factory, Ganzhou (Wulu) Raw Materials Factory, and (Hugang) Transformer Substation of the Ganzhou Power Supply Bureau in turn to extend Spring Festival greetings to workers and staff who stood fast at their posts on the holiday.

During the five-day period from 6 to 10 February, Governor Wu Guanzheng listened to reports made by the Ganzhou Prefectural CPC Committee and Ganzhou Administrative Office on economic work. He also went, braving the rain, to Ganzhou City, and Xinfeng, Nankang, and Xinguo Counties to make an on-the-spot investigation of agricultural development, township and town enterprises, state-owned large and medium-sized enterprises, and the economic and technology development area.

Wu Guanzheng said: Since the task for economic improvement and rectification has now been basically accomplished, a new opportunity for development is around the corner. We should further free ourselves from the old ideas, be bolder in the course of reform and opening, and take more liberal measures to develop the economy. It is essential to arrive at a better understanding of Comrade Deng Xiaoping's theory on building socialism the Chinese way and at the party's basic line which stresses the central task of economic activity and adherence to two basic points and work in an original way so that all work plans and principles and policies laid down by the central authorities will be carried out to the letter.

Party and government leaders at all levels, Wu Guanzheng continued, should ask themselves whether they have a thorough and comprehensive understanding of the party's basic line, whether they have really concentrated on the central task of economic activity, whether they have formed a pool of forces necessary for economic development, where they lag behind in emancipating their minds, and [words indistinct]. They should also ask themselves: How they will treat the difficulties facing them; where the potential lies; whether they should turn to the higher authorities for a solution to their problems or try to find out internal causes and tap their potential by relying upon the masses, forging ahead against difficulties; and how they spread the use of experiences for promoting economic development and enlivening the

economy. We should see where we lag behind in ideology, refrain from doing a superficial job, avoid formalism, and do our work in a down-to-earth and ingenious way to stimulate the reform and opening in southern Ganzhou. We should seize the opportunity to push forward economic development and the work in all fields in southern Ganzhou. We should take resolute measures to reshuffle the leading bodies that failed to stir themselves and move their work forward for a long time. At present we must try in every possible way to effect an upswing in industrial production and make adequate preparation and arrangements for spring plowing.

Wu Guanzheng said: It is necessary to reform the operating mechanism of enterprises and to subject enterprises to market forces so that only the best enterprises will survive, and the enterprise will enjoy the autonomy to hire or sack employees and to fix wages. We should manage enterprises strictly; improve product quality; take effective measures to reduce consumption, eliminate losses, and increase benefits; and take a firm grasp of technical transformation. We should vigorously expand sales by seizing the favorable situation in which the market has shown a sign of bottoming out. The reform of state-owned and cooperative commercial organs characterized by deregulation in four respects should be carried out in an overall way. We should enthusiastically push forward the reform of wholesale business and try to achieve results by drawing on some of Guangdong's practices.

We must take faster steps forward in the course of opening up to the outside world, energetically develop horizontal economic ties, and try in every possible way to use more foreign funds in an efficient way.

Wu Guanzheng went on: The development of a market economy has a great bearing on southern Ganzhou. To solve financial difficulties and increase enterprise income, we must vigorously develop township and town enterprises, promote agricultural production in a comprehensive way, and control excessive population growth. To develop township and town enterprises, we must adhere to the principles of large-scale development and improvement and encourage more peasants to join the circulation field and to work in coastal areas. We must attach importance to the development of the individual and private sectors of the economy and provide guidance to and improve their management.

While doing a good job of readjusting [words indistinct] agricultural structure, we should promote agricultural development in a systematic and profound way, keep tabs on intensive processing of agricultural and sideline products, promote scientific and technological progress, and conduct well vocational education.

It is necessary to build high-efficiency agriculture with a sizable cultivated land area in southern Ganzhou, to establish the service system, and to develop tertiary industry. We should support and protect pacesetters developing the commodity economy and encourage

them to become prosperous through hard work and legal operations. It is essential to bring population growth under control, promote family planning, and adhere to the principle that the success of family planning is the only criterion for appraising the work results of cadres.

Jiangxi Province 1991 Foreign Trade Increases

OW1902101592 Beijing XINHUA in English
1004 GMT 19 Feb 92

[Text] Nanchang, February 19 (XINHUA)—East China's Jiangxi Province made over 40 million yuan of profits in its foreign trade in 1991, according to sources from the provincial Bureau of Foreign Economic Relations and Trade.

The province's import and export volume in 1991 was 15.7 percent more than in 1990, the sources said.

Previously, the province had deficits in its foreign trade for several years in a row.

At the beginning of last year, the province started to carry out a new foreign trade system, stopping giving state subsidies to foreign trade companies and allowing them to assume sole responsibility for their own profits or losses.

As a result, the foreign trade companies added 117 new varieties of commodities for export, opened up markets in nine more countries and regions and resumed export to 14 old customer countries including The Sudan.

Shandong Forms Economic Development Corporation

SK1902032992 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 18 Feb 92

[Text] The Economic Development and Investment Corporation of Shandong Province was formally established on 18 February.

In line with the state financial and economic policies and the provincial party committee and the provincial government's requirements for economic development, the corporation should reasonably arrange and scientifically use the capital that is allocated by the financial department and should be repaid, and should serve the development of the economic and social undertakings. The corporation's capital source comes mainly from the working funds and some special funds of the industrial, agricultural, and scientific and technological fronts allocated by the provincial financial department. The corporation will concentrate its efforts on supporting the development of high science and technology, technological transformation, the enlivening of circulation spheres, the setup of the urban and rural socialized service system, the overall agricultural development, and the development of educational, scientific, cultural, and health undertakings.

Li Chunting, Standing Committee member of the provincial party committee and vice governor of the provincial government, pointed out at the inaugural meeting: The corporation should manage and distribute, in a unified manner, various compensation funds allocated by the provincial financial department; also form cohesive power by using bank loans, capital construction funds, and free financial allocations; prominently support the development of key projects; and strive to better display the overall functions of the capital.

Li Chunting stressed: The corporation should concentrate necessary financial resources on developing high science and technology, conducting technological transformation among enterprises, developing agriculture, and developing the circulation spheres; persistently pay equal attention to economic results and social benefits; and be sure to link the use of compensation funds with free capital, to make these two kinds of funds supplement each other, and to achieve great results from use of capital.

Provincial Leaders Gao Changli, Liang Buting, Lu Maozeng, and Xiao Han attended the inaugural meeting.

Shandong Sets Up Technology Development Zone

OW1902103692 Beijing XINHUA in English
1010 GMT 19 Feb 92

[Text] Jinan, February 19 (XINHUA)—The State Science and Technology Commission has recently approved that Jinan, Zibo, Weifang, Yantai and Weihai become pilot technology development cities in Shandong.

A belt formed by these cities covers an area of 50,300 square kilometers with more than 2,000 kilometers of coastline, 1.995 million ha of farmland, and a population of 26.25 million on the Shandong peninsula at the mouth of the Yellow river.

The area is one of China's most economically developed areas, having a high agricultural and industrial level, abundant natural resources, fine water conservancy and power facilities, and advanced post and telecommunication facilities.

The setting up of the pilot area aims to develop the Yellow River delta into an export production base and an area of hi-tech compact industries that is similar to that of Zhujiang and Yangtze River deltas in southern and eastern China.

The area will be built up as an important window to the outside world and a model of deepened comprehensive reforms.

It is estimated that by the end of the Eighth Five-Year Plan period (1991-95), major economic indexes of the area should reach advanced domestic levels and be more competitive on international markets.

Acting Chairman of Shandong KMT Appointed

SK1602025792 *Jinan Shandong People's Radio Network in Mandarin* 2300 GMT 15 Feb 92

[Text] The Central Revolutionary Committee of the Kuomintang [KMT] recently made a decision to appoint Comrade Yan Qingqing as acting chairman of the Shandong Provincial Revolutionary Committee of the Kuomintang.

Comrade Yan Qingqing is a professor at Shandong Industry University and vice chairman of the Standing Committee of the Shandong Provincial People's Congress. He has done a lot of work in persisting in the system of multiparty cooperation and political consultation under the leadership of the CPC and in serving the economic construction and the reunification of the motherland.

Shanghai Economic Growth Rebounds in 1991

OW1502163192 *Beijing XINHUA in English*
1558 GMT 15 Feb 92

[Text] Shanghai, February 15 (XINHUA)—China's biggest industrial city Shanghai registered a six percent increase in gross national product (GNP) in 1991, the first annual growth rate after the depression since late 1980s.

According to statistics released today by the Municipal Statistics Bureau, the city has turned out 82.5 billion yuan worth of gross product last year, six percent higher than in 1990.

The city's agriculture, manufacturing and service industries respectively increased by 0.5 percent, 13.7 percent and 14.4 percent.

Major Huang Ju said that the increase suggested a steady growth of the city's economy in the future.

Experts said that the increase in GNP was gained through major reform of enterprise structure. It is not merely a "turn for the better", they said, because the 900-plus large and medium-sized enterprises, which are the biggest revenue sources of the city, have improved their management and product structure and withstood intensive market competition last year.

The output of livestock in the city exceeded for the first time in history the output of farming, becoming the third pillar business for the city's rural economy after farming and township enterprises.

The city also made progress in the development of its service industry. The service industry accounted for 31.5 percent of the city's GNP last year, only one percentage point less than the target of 35 percent, the commonly accepted figure for a balanced industrial structure.

'Remarkable Achievements' Seen

OW1702113592 *Beijing XINHUA Domestic Service in Chinese* 0237 GMT 17 Feb 92

[By reporters Cao Yongan (2580 3057 1344) and Ji Jincheng (1323 6651 2052)]

[Text] Shanghai, 17 February (XINHUA)—Shanghai scored remarkable achievements in its industry, agriculture, finance, urban construction, development of Pudong, and other economic activities in 1991, making a good start for its economic development in the 1990's.

According to data on the 1991 economic construction released by the municipal statistical bureau recently, Shanghai's gross product amounted to 82.5 billion yuan and income totaled 68.7 billion yuan, up 6 and 6.6 percent respectively over the preceding year, fulfilling all tasks for the municipal economic and social development of the year.

Last year, in a bid to improve the external environment and internal management of enterprises and harness their workers' enthusiasm, Shanghai's industrial department carried out reforms in some large and medium-sized state enterprises, such as "transforming mechanisms and delegating managerial powers to lower levels" and the "system which requires payment of tax plus a percentage of profit to the state, and payment of tax before loan repayment." The enterprises readjusted the product mix and developed a total of 12,000 new products during the year. Meanwhile, declining economic efficiency, a trend in the late 1980's, was stopped; and profits and tax payments delivered by enterprises under the municipal budget rose by 1.5 percent over 1990.

In the face of cold waves, rainstorms, floods, and other natural disasters which hit the suburban counties successively last year, leaders at all levels in Shanghai organized peasants in fighting disasters and popularizing scientific farming methods. As a result, Shanghai reaped bumper grain, cotton, and rapeseed harvests, while the production and supply of nonstaple foods were better than the previous year.

Last year saw the largest volume of completed investment in Shanghai's urban infrastructural construction. Such major projects as the Nanpu Bridge, the Wusongkou Sluice Gate, and the overpass and underpass in the western Xujiahui District were completed and opened to traffic; while the projects on Yangpu Bridge, Inner City Loop, No. 1 subway, overall control of polluted water, and comprehensive revamping of the Bund were started. A total of 4.68 million square meters of residential houses were built, and 170,000 households were provided with natural gas and liquefied natural gas.

As the development of the New Pudong District entered the second year, notable progress was made in infrastructure construction, investments in monetary assets, and assimilating foreign capital. Of the 10 major projects on

transportation, energy, communications, and environmental protection scheduled to be completed during the Eighth Five-Year Plan, two had been completed and seven started. As of the end of last year, 21 Chinese and foreign banking institutions had set up offices in the district. A total of 90 projects directly invested by foreign businessmen were approved last year. This represents an increase of 120 percent over the previous year and of 70 percent in the volume of foreign investment.

Shanghai's buying and selling markets were brisk with plenty of commodity supplies. The volume of retailed sales rose by 13.8 percent with a total of 40.198 billion yuan last year; and sales of foods, clothing, and goods for use increased by more than 10 percent.

Rural Shanghai Counties Reach 2000 Income Target

OW1702082292 Beijing XINHUA in English
0747 GMT 17 Feb 92

[Text] Shanghai, February 17 (XINHUA)—Three rural counties of Shanghai, the leading manufacturing center in China, achieved an income per capita of 4,500 yuan (800 U.S. dollars) last year.

The three counties—Chuansha, Jiading and Shanghai, have now reached the target planned for the year 2000, and last year their gross domestic product reached 2.825 billion yuan, 2.45 billion yuan and 2.3 billion yuan, respectively.

The major factor contributing to the three counties' economic growth is the healthy development of their rural enterprises. Farmers in these counties have set up many high-tech industries, export-oriented businesses and Sino-foreign joint ventures in recent years.

Chuansha County alone has 102 foreign-funded enterprises, about 8 percent of Shanghai city's total.

Shanghai Names Pillar Industries, Key Products

OW1902100692 Beijing XINHUA in English
0916 GMT 19 Feb 92

[Text] Beijing, February 19 (XINHUA)—Shanghai, China's biggest industrial city, will develop 10 pillar industries and 50 key products during the Eighth Five-Year Plan period (1991-1995), XINHUA learned from relevant authorities.

The 10 industries are: Motor vehicles, communications equipment, computer and micro electronics, power station equipment, oil chemicals, family electrical appliances, electron/mechanical integration equipment, fine chemical industry, plastic processing, garments, and textile machinery.

The 50 key products include ships, numerically-controlled machine tools, medical equipment and instruments, sensitive materials, cosmetics, foodstuffs, laser gramophones and laser discs.

The development of motor vehicle will be given priority; at present the Shanghai Volkswagen corporation is building vehicles which meet international standards of the 1980's.

The municipal government plans to produce annually an output of 150,000 Santana passenger cars.

By 1995, the annual output value of the 10 pillar industries and 50 key products is expected to increase from the present 21.6 billion yuan to 60.6 billion yuan.

Statistics show that in 1991 the industrial output value of Shanghai was 196.8 billion yuan.

Shanghai Gains 185 Foreign-Funded Firms in 1991

OW1502131192 Beijing XINHUA in English
1258 GMT 15 Feb 92

[Text] Beijing, February 15 (XINHUA)—The number of foreign funded enterprises in the rural area on the outskirts of Shanghai, China's leading industrial city, has kept increasing quickly in the past years.

By the end of 1991, there had been 482 overseas-funded enterprises on the outskirts of the city, 185 of which were set up last year. The total investment of the newly established enterprises reached 868 million U.S. dollars.

Statistics show that the total export volume of these enterprises exceeded 355 million U.S. dollars in 1991, which represents a 103 percent increase over 1990 and accounts for 70.42 percent of the total export volume for all foreign funded enterprises in the city.

Shanghai Becomes First 100-Million-Ton Port

OW1702040092 Beijing XINHUA in English
0238 GMT 17 Feb 92

[Text] Beijing, February 17 (XINHUA)—Shanghai port, located along the eastern coast of China, has become the country's first 100-million-ton port and one of the ten biggest in the world, according to today's GUANGMING DAILY.

The port now employs 54,000 people and has been revitalized by the reform and opening to the outside world policies of China.

It has used scientific and technological means to upgrade equipment and increase cargo capacity for items such as log and container shipping, and raised production efficiency.

The port handled a record total of 147 million tons of goods last year and made profits of 315 million yuan (63 million U.S. dollars), 12.5 percent more than targeted.

'Roundup' on Development of Ningbo Economic Zone

OW1902073392 Beijing XINHUA in English
0712 GMT 19 Feb 92

[("Roundup": "Ningbo Benefits From Development Zone")]

[Text] Ningbo, February 19 (XINHUA)—For six years the economic and technical development zone of Ningbo in east China's Zhejiang Province has been reaping remarkable economic returns while continuing its construction.

Ever since it was set up, in 1985, the zone has stressed a policy of achieving economic returns along with its development, said Shu Zongda, deputy director of the zone's administration committee.

In this way, the zone has yielded the maximum returns from investments, Shu said.

About 70 percent of the products produced by the 81 foreign-funded enterprises in the zone, are exported.

Last year saw a record 24 foreign-funded enterprises sign contracts with the zone, bringing in a total of 26.21 million U.S. dollars of investment, 70 percent of which came from abroad.

The zone earned 77.82 million U.S. dollars last year, 33 percent of which was earned by foreign-funded enterprises.

Since 1985 the zone has approved the establishment of 121 production enterprises with a total investment of 240 million U.S. dollars, 55 percent of which came from foreign investors.

To raise investment returns as quickly as possible, the zone puts emphasis on the introduction of advanced foreign technology and exporting its products.

The zone has also put into practise some preferential policies for enterprises and foreign businessmen developing high and new technological products.

The 78 enterprises at present in production in the zone have made a total of 951 million yuan (about 176 million U.S. dollars) in output value, 224 million yuan in pre-tax profits and 148 million U.S. dollars from exports.

The development zone ranks as one of the five best-managed coastal development zones in China, as it made profits of 41.63 million yuan last year.

This is primarily attributed to the zone's fine natural conditions, the deputy director said.

The zone boasts a number of up-to-date harbor berths, including a 5,000-DWT [dead-weight tons] specialized berth for handling liquid chemical products.

Other berths handle ores, sundry goods and containers—with a total capacity of 25.53 million tons of goods a year.

By sea, Ningbo city is connected with more than 180 ports in 57 countries and regions around the world.

Basic facilities in the zone's original development area are also in good shape. Program-controlled telephones connect ningbo with a large number of major cities at home and abroad directly.

In addition, workshops, hotels and living quarters for foreign businessmen have also taken shape.

The cost of investment in improving basic facilities per sq m in the original development area was 80 million yuan.

At present, the zone has raised the quality and competitiveness of its products by introducing advanced technologies, including strong magnetic materials, microwave communication, fiber optics and bio-engineering.

The success of the development zone is also attributed to involvement by the country's foreign trade departments, the China National Import and Export Corporation and the China National Machinery Import and Export Corporation.

They have provided capital and experienced managerial personnel for the zone, and laid a solid foundation for the entry of the zone's products into the world market. The economic strength of Ningbo in turn helps the two corporations to develop and improve their products.

During the Eighth Five-Year Plan period (1991-1995), the zone will further absorb foreign funds, and encourage foreign businessmen to invest there or set up solely foreign-funded enterprises.

It will process products from China's inland areas for export. In addition, the zone will invite large enterprise groups and scientific institutes from all over the country to open development areas within the zone, and expand exports by cooperating with rural enterprises.

As to the future of the development zone, the deputy director pointed out that by the end of the century it is expected to make two billion yuan to three billion yuan in gross industrial product, earning 200 million U.S. dollars in foreign currency by exporting and making the zone a base for industrial production and exports.

Central-South Region**Xie Fei Views Socialist Ideological Education**

HK1902073392 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 18 Feb 92

[Text] A provincial conference on socialist ideological education work in rural areas concluded in Shunde County yesterday.

Provincial party committee Secretary Xie Fei and Deputy Secretaries Guo Rongchang and Zhang Guoying attended the conference.

Xie Fei delivered a speech at the conference, in which he stated: The first-phase socialist ideological education conducted in the rural areas has been very successful and has yielded both excellent results and positive experiences. Practice has shown that the broad masses of cadres and people in the rural areas are fully in favor of ending the past leftist practices, adhering to economic construction as the center, and integrating propaganda and education with the resolution of realistic problems. The second- and third-phase socialist ideological education to be unfolded this year must be rendered even more successful. To this end, party committees at all levels and all socialist ideological education work teams must strive to raise socialist ideological education work in the rural areas to a higher level.

On how to successfully further ideological work at the grass-roots level in the rural areas on a regular basis, Xie Fei forwarded the following four requirements:

1. It is necessary to unfold activities of building civilized villages and civilized households.
2. It is necessary to give full scope to the role of various grass-roots organizations in the rural areas, especially the role of various party branches in the rural areas.
3. Leading organs at all levels must transform work style, go deep into the grass-roots level, and help the grass-roots level tackle realistic problems.
4. It is necessary to muster forces and concentrate time on resolving problems cropping up in the rural areas at different stages.

Shantou City Cracks 'Large' Smuggling Case

*HK1502045692 Guangzhou NANFANG RIBAO
in Chinese 6 Feb 92 pp 1, 3*

[By reporters Su Zhongheng (5685 0112 5899) and Kang Yefeng (1660 2814 0023): "Shantou Cracks Exceptionally Large Smuggling Case"]

[Text] Early last year the Shantou Customs Department cracked an exceptionally large smuggling case—a type rarely seen in the province which involved internal and external collaboration. This case was recently verified by a special group after an in-depth investigation under the direct leadership of the Shantou City CPC Committee and Government.

With the approval of the procuratorial department, five principal persons involved in the case have been arrested in accordance with the law. They are: Lin Derong, deputy director of the Taiwan Affairs Office of the Chenghai County Government; Pan Yanqin, manager of the county department of small-scale trade with Taiwan; Li Chunquan, director of the county government office; Fang Mude, leader of the county frontier brigade; and cigarette smuggler Cheng Zitao. The other persons involved in this case are being investigated and handled by local discipline inspection departments, supervisory departments, and frontier inspection departments.

At Laiwu Port in Chenghai County early on the morning of 2 January last year, anticontraband patrol boat No. 711 of the Shantou Customs Department seized a Taiwan smuggling ship named "Fushun No. 666," from which a large quantity of contraband cigarettes were being unloaded. At the scene, 1,499 boxes of cigarettes worth over 2.3 million yuan were seized. Lin Tien-chai, the ship's captain, and nine crew members were detained. Personnel on anticontraband patrol boat No. 711 discovered that there were armed mainland frontier guards on the Taiwan ship and knew that three other armed mainland frontier personnel had escaped on another Taiwan smuggling ship. With the efforts of the relevant department, these three armed frontier personnel were repatriated early on the morning of 3 January.

The provincial and Shantou City authorities took serious account of this case. Under the direct leadership of the Shantou City CPC Committee and Government, the Shantou City Public Security Bureau decided to put the case on file for investigation. Headed by the Shantou City Political and Legal Commission, a special investigation group was jointly formed by the city anticontraband office, the city public security bureau, and the relevant units to carry out in-depth investigation and collect evidence. Finally, the group found out the truth regarding this exceptionally large smuggling case.

As has now been verified, this exceptionally large smuggling case was perpetrated by smugglers of Chenghai County in collaboration with the persons in charge of the county Taiwan Affairs Office and the department of small-scale trade with Taiwan under cover of "carrying out trade with Taiwan," during which the county frontier brigade sent armed personnel to escort the Taiwan ship into Laiwu Port of Chenghai for wanton smuggling of imported cigarettes. This case involved the smuggling of many huge quantities, and the smuggling was carried out in a particularly vicious way. In collaboration with smugglers Chen Weihe, Chen Jinkun, Chen Zhenchao, and Cheng Zitao, Lin Derong, Pan Yanqin, Li Chunquan, and Fang Mude smuggled imported cigarettes on 12, 13, and 28 September 1990; on 31 December of the same year, and on 1 January 1991. This is how they carried out the smuggling: The smugglers were responsible for the capital, obtaining the goods, telecommunications, transportation, and sales; the county Taiwan Affairs Office provided protection in the name of "trade with Taiwan"; and the county frontier brigade sent armed personnel for escort purposes. In all, they smuggled three batches of imported cigarettes and escorted six smuggling ships. The county Taiwan Affairs Office and the department of small-scale trade with Taiwan collected a "procedural charge" of 70 yuan for each box of cigarettes smuggled. County government office director Li Chunquan was involved in planning. He pulled others in by allocating "subsidies" to the county frontier inspection department and promising frontier brigade leader Fang Mude a "higher official position." Seeing the benefit, Fang Mude made an unauthorized decision on

sending armed personnel to escort Taiwan smuggling ships to Laiwu Port in Chenghai County on six occasions. Four of the six Taiwan smuggling ships succeeded in their smuggling, one was seized, and another got away. The six ships smuggled 8,960 boxes of cigarettes worth 13.88 billion yuan.

After two of the ships succeeded in their smuggling in September the year before last, the county department of small-scale trade with Taiwan received "procedural charges" of 417,200 yuan from smuggler Chen Weihe. Under the pretext of "midnight snacks" and "thank-you bonuses," Chen Weihe also gave 31,000 yuan and more than 100 cartons of cigarettes to the personnel of the department of small-scale trade with Taiwan and the frontier brigade who participated in the smuggling. From the "procedural charges" it had collected, the county department of small-scale trade with Taiwan gave 74,200 yuan to the county frontier brigade under the pretext of "providing subsidies for sea patrolling" and "buying transportation facilities," and 41,400 yuan to the Batou frontier police unit. From these amounts, Lin Derong received 9,250 yuan, Pan Yanqin 9,450 yuan, Li Chunquan 3,000 yuan, and Fang Mude 1,500 yuan.

After the verification of this case, illegitimate earnings were recovered from Lin Derong and the three others as well as from the county department of small-scale trade with Taiwan and the frontier brigade.

The provincial government, the provincial public security department, frontier inspection departments, and the Shantou City CPC Committee and Government are now using this smuggling case as a living example in curbing smuggling, in opposing corruption, in strengthening clean administration, and in teaching cadres and party members to draw lessons.

Not long ago the Shantou City special group submitted this case to the judicial department to be dealt with according to law.

Commentator Assesses Case

HK1502045792 Guangzhou NANFANG RIBAO
in Chinese 6 Feb 92 p 1

[Commentator's article: "Turning a Bad Thing Into a Good One"]

[Text] An exceptionally large, astonishing cigarette-smuggling case involving internal and external collaboration, which occurred in Chenghai County, has now been verified after an investigation by a special group formed by the Shantou City CPC Committee and Government. This is a rare smuggling case in our province. Now we have "exposed" it. The purpose is to turn this bad thing into a good thing. We will use this negative example to educate cadres and masses so as to expedite the work of opposing smuggling, opposing corruption, and advocating clean administration and to ensure the smooth carrying out of reform and opening up and the two civilizations.

Our province borders on Hong Kong and Macao and is situated on the coast. The task in the struggle against smuggling is particularly arduous. This should be given constant attention. But comrades in charge of some localities and units do not have an adequate understanding of the harmfulness of smuggling activities or do not pay attention to this familiar sight. Proceeding from the partial interests of small groups or localities, some of them mistakenly think that smuggling is a "way to prosperity"; others turn a blind eye to it instead of being serious in the struggle against smuggling; a small number harbor smugglers or connive at smuggling, or go even go so far as to support them and take part in scheming. They act in collusion with smugglers and gang up with them. The case which happened in Chenghai County is a typical example. It sternly tells us that if we lack an adequate understanding of the harmfulness of smuggling or even mistakenly think that smuggling is a "way to prosperity," we will be manipulated by smugglers and bogged down in an abyss of evil. We should draw a profound lesson from this case. Leading cadres at all levels, particularly those in regions where smuggling is serious, must conscientiously raise their understanding of the major significance of the struggle against smuggling, take effective measures, strengthen their leadership in all fields over the work of opposing smuggling, and pay constant attention to the work of opposing smuggling.

Many years of struggle against smuggling in our province have proved that leaders are the key to effectively carrying out the struggle against smuggling. Major smuggling cases of a vicious and serious nature and which cause great harm, particularly major smuggling cases involving neglect of duty; involving law-enforcers violating laws as well as tolerating, harboring, supporting, and participating in smuggling; and involving internal and external collaboration, must be seriously examined, dealt with, and punished according to law. We must absolutely not be softhearted toward this. Like the principal comrades in charge of Shantou City CPC Committee and Government, the relevant leading comrades should take personal charge of this struggle, guide it, and supervise and examine it. No matter which units and what kinds of people are involved, investigation must be carried through to the end and those involved must be seriously dealt with. We believe that as long as leaders at all levels take serious account of this, our province will certainly score new victories in the struggle against smuggling.

Provinces To Stop Labor Influx Into Guangdong

HK1502055292 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1104 GMT 14 Feb 92

[Text] Guangzhou, 14 Feb (ZHONGGUO TONGXUN SHE)—An officer-in-charge of the Guangdong Provincial Labor Service Company said there have been more laborers swarming into Guangdong Province following the Spring Festival this year than there were last year, but, a considerable decrease in the influx of newcomers

has been observed. Guangdong is now joining hands with the provinces of Sichuan, Hunan, Guizhou, and Henan, and the autonomous region of Guangxi to stop laborers from leaving their places of origin for Guangdong, with a view to curbing the laborer influx tide.

An integrated review of the statistics provided by railway and labor departments shows that a total of 370,000 laborers from other parts of the country arrived in Guangdong Province in nine days, from the first to ninth days of the Lunar New Year, an increase of 8.8 percent over the corresponding period last year. Meanwhile, as indicated by feedback from working groups sent out by provincial and local labor departments of Shenzhen, Zhuhai, Foshan, Jiangmen, Huizhou, Dongguan, and Zhongshan, there are only a limited number of new individual job seekers wandering around, rather than large quantities of newcomers gathering around railway and bus stations, piers, and factories looking for jobs as were observed in previous years. A sample survey indicates that the proportion of newcomers arriving in Guangdong is below 10 percent of all the arriving nonlocal laborers, which represents a considerable drop from the 40 percent record last year. Order has been generally good at railway and bus stations and piers. This is a positive phenomenon that has not been seen for the past three years, which marks an initial success of the joint operation by Guangdong and five other provinces to curb the laborer influx tide. The fact that all trains were fully loaded with passengers in the past few days is due to the drastic increase in the number of nonlocal laborers in Guangdong rushing back home before the Spring Festival and returning to Guangdong afterward. The number of nonlocal laborers going back to their home provinces on the eve of the Spring Festival exceeded 1 million this year, an increase of 220,000 over the corresponding period last year; after the Spring Festival, some of them who had left Guangdong by water or highway are returning to the province by train.

Governments in various localities throughout Guangdong Province are dealing with the problem concerning the influx of new laborers. Dongguan City authorities have set up a few working groups to perform duties round the clock, strictly inspecting vehicles entering the city and advising newcomers to return to their home provinces. It has been found, however, that some enterprises, disregarding regulations promulgated by the government, have been continuing to recruit new laborers directly or through their existing staff members who are also from other provinces; and some enterprises have even set up temporary offices or put up worker-recruiting posters near the railway station in Guangzhou. The official in charge of the labor department said these cases shall certainly be thoroughly investigated and the enterprises concerned and persons in charge subject to severe penalty. The official said the labor department is not optimistic about the situation in the laborer influx tide, and therefore is closely following the development of the case.

Nanning's Antinarcotics Drive Shows 'Results'

HK1902021792 *Nanning GUANGXI RIBAO* in Chinese
8 Jan 92 p 1

[By reporter Wang Gang (3769 6921): "Nanning City Has Achieved Initial Results in Its Antinarcotics Drive"]

[Text] Nanning (GUANGXI RIBAO)—The drive to crack down on drug trafficking and taking in Nanning city has proved to be a great success. A number of drug traffickers have been caught, while a batch of drug addicts have been penalized and are receiving medical treatment. As smuggling routes used by transnational drug trafficking syndicates have stretched into China's border provinces and cities, Nanning has become the main stopover for some drug smugglers. In 1991, the Nanning city public security bureau's antinarcotics department cracked a number of drug trafficking cases, the variety of smuggled drugs had been diversified to include cocaine and heroin besides opium, and drug trafficking rings with Chinese and foreign drug traffickers collaborating with each other have been forming. Because foreign drug smugglers are expanding the drug market, drug addicts have been discovered in Nanning City. Some drug addicts have become criminals, gone into bankruptcy, and suffered physically and mentally from drug addiction. In order to fight criminal phenomena such as drug trafficking and drug taking, an intensive and forceful crackdown operation has been launched in Nanning City. In particular, the city public security bureau has set up an ad hoc antinarcotics brigade. Ever since the brigade started functioning, 213 drug traffickers have been arrested; a large number of serious and exceptionally massive drug trafficking cases have been cracked; and high-purity heroin, cocaine, and opium smuggled into China has been seized. Meanwhile, the brigade has captured some firearms and ammunition owned by drug traffickers and has confiscated the profits the drug traffickers earned through their drug transactions. Moreover, the brigade has successfully cracked a batch of international drug trafficking cases, which have earned them commendation from the UN antinarcotics department and Interpol. Apart from actively cracking down on drug traffickers, the antinarcotics brigade has also made greater efforts to investigate, penalize, and rehabilitate drug addicts. Last year, the brigade took legal action against a number of drug addicts and assisted their families in hospitalizing them for treatment. Now most of them have dropped the bad habit and embarked on new lives. At the same time, Nanning City's mass antinarcotics drive has been launched in a big way. Every neighborhood or unit has used wall newspapers, blackboard newspapers, and other methods to propagate the "Decision on Antinarcotics Operation" adopted by the National People's Congress Standing Committee, and publicized the harmfulness of drug taking, drug trafficking, and illicit growing of plants from which drugs are extracted. On 6 January, a mobilization rally for the antinarcotics drive was convened in Nanning. Present at the rally were people in charge of

Nanning's government organs, enterprises, public service units, neighborhood committees, and so on. During the meeting, Wei Jisong, vice chairman of the Autonomous Regional Government and chairman of the regional antinarcotics committee, delivered a mobilization speech. He stressed that the mammoth antinarcotics mass struggle must be waged in a down-to-earth manner, and leaders at all levels should deal severe blows at drug traffickers and strive to eradicate drugs once and for all from this region.

Henan Leaders Attend Judiciary Conference

HK1902010092 *Zhengzhou Henan People's Radio Network in Mandarin* 2300 GMT 13 Feb 92

[Text] A three-day provincial work conference on judiciary administration ended in Zhengzhou yesterday. The conference demands that judiciary administrative organs at all levels in the province give full play to their functions and do a good job in various judiciary administrative tasks; and offer high quality legal services in order to expand reform and opening up and run well state-run large and medium-sized enterprises, and further strengthen work in agriculture and rural areas.

Provincial Party Deputy Secretary Lin Yinghai; (Zheng Zengmou), provincial party committee standing committee member; and Zhang Zhigang, vice chairman of the Provincial People's Congress Standing Committee, attended yesterday's meeting.

Hu Tiyun, provincial party committee standing committee member and vice governor, spoke at the meeting. He pointed out: Judiciary administrative departments, like other departments of politics and law, are facing the trials of reform and opening up, developing a commodity economy and peaceful evolution; and therefore must firmly and unswervingly implement and pursue the party's basic lines; ideologically, organizationally and in matters of style, erect an iron great wall against peaceful evolution; organize and promote judiciary administrative work around economic construction; and, on the premise of insisting on tackling affairs in accordance with the law, emancipate the minds, boldly blaze new trails, make full use of such means as lawyers, notaries and township and town legal services; and offer active legal services for the sake of invigorating state-owned large- and medium-sized enterprises and developing on all rounds agriculture and rural work.

Hu Tiyun said: Judiciary administrative departments at all levels must give full play to their functional role, further promote comprehensive management of social security, closely coordinate the activities of socialist ideological education, and in a down-to-earth manner pursue the second five-year plan for popularizing legal knowledge, and stabilize the order in reform-through-labor and education-through-labor camps, enliven the economy there, and raise the quality of reform and economic efficiency. At the same time, we must further strengthen the building of the contingent of judiciary cadres, strive to raise its quality, preserve its

purity and combat readiness to complete with high quality the tasks entrusted by the party and people to judiciary administrative organs.

Li Changchun Inspects Drought in Puyang County

HK1902073292 *Zhengzhou Henan People's Radio Network in Mandarin* 2300 GMT 16 Feb 92

[Excerpts] Due to prolonged drought and lack of rain, there had been a serious shortage of drinking water for humans and animals in a number of Puyang County's mountainous areas.

Yesterday, Governor Li Changchun went deep into some cave dwellings, peasant households, and fields to inspect the drought situation and water sources. He called on leaders of relevant city and county departments to do all they can to find new water sources, lose no time in implementing various well-digging plans, and solve the problem of water shortage for the masses. [passage omitted]

Comrade Li Changchun also called on the concerned city and county leaders to actively organize the peasants to provide for and help themselves by engaging in production, waste no time in developing a diversified economy, stop passively waiting for rain to fall from the sky or for government aid, devote all their energies to developing a diversified economy, offset agricultural losses with sideline production profits, and overcome current difficulties.

Guan Guangfu Speaks on Revitalizing Wuhan

HK1402132692 *Wuhan Hubei People's Radio Network in Mandarin* 1000 GMT 13 Feb 92

[Excerpts] For the whole day on 12 February, the Hubei Provincial CPC Committee held a standing committee office meeting in Wuhan City. The meeting carried the resolution that various circles at all levels throughout the province support Wuhan City in its effort to expand the opening up process and quicken the pace of its economic revitalization, and that the provincial authorities earmark a sum of money and make relevant policies to support the construction of Wuhan Tianhe Airport and Chang Jiang Highway Bridge, which shall bring enormous social benefits to the province, and solve problems bothering Wuhan which concern sports facilities, port management, and electric supply.

Provincial party Secretary Guan Guangfu presided over the meeting.

He pointed out: The key topics of this meeting are how to implement the spirit of the central policy of unifying thinking, changing work style, and making painstaking efforts to do solid work; how to help Wuhan solve its problems in work and support Wuhan in expanding the opening up process, deepening reform, and accelerating the pace of economic construction. Guo Shuyan, deputy provincial secretary and provincial governor; Qian Yunlu, deputy provincial secretary and Wuhan City party committee secretary; provincial party committee

standing committee members, Ding Fengying, Tian Qiyu, Zheng Yunfei, Zhong Shuqiao, Li Daqiang, Wang Shen, and Wang Zhongnong, provincial Vice Governors Xu Penghang and Han Hongshu; comrades in charge of the provincial advisory committee, provincial people's congress, and the Chinese People's Political Consultative Conference provincial committee, including Chen Ming, Shen Yinluo, and Xiao Quantao; and persons in charge of relevant provincial departments attended the meeting.

On behalf of the Wuhan City party committee, Zhao Baojiang, deputy secretary of the city committee and mayor of Wuhan, reported to the provincial party committee the work of Wuhan and the plan for the next step. He also mentioned the practical problems that need to be solved with external help.

After in-depth discussion at the meeting, plus extensive consultations prior to the meeting, the provincial party committee standing committee solemnly decided, while continuing to implement the original supportive measures: (1) To earmark from the provincial treasury 45 million yuan in aid of the construction of Wuhan Tianhe Airport. (2) To give Wuhan a preferential policy whereby it does not have to pay certain fees, thus providing the construction of Wuhan Highway Bridge with more than 100 million yuan to make up the fund deficiency. (3) To transfer Wuhan Gymnasium, which is now in the hands of provincial authorities, to Wuhan City, the details of which shall be discussed between the provincial authorities and Wuhan City authorities in the near future. (4) To open up Wuhan Port to foreign vessels, for which provincial and city authorities have to coordinate management between them, and transfer the concrete managerial responsibilities to Wuhan City, in line with the expansion of this opening up process. (5) The provincial government will continue to alert the relevant state department to the fact that Wuhan has to give up a considerable amount of electric supply quotas in the distribution of electric power in the Wuhan area, in the hope of finding a solution as soon as possible. Until Wuhan's Yangluo Power Plant is completed, there is also a serious shortage of electric power in other areas of the province. The provincial authorities will make sure that as much electric power as possible be supplied to Wuhan City. [passage omitted]

In his speech, Guo Shuyan mainly expounded on the urgent situation and tasks facing Wuhan City and the achievements it has attained in readjusting the industrial structure, as well as the necessity to continue to pay attention to it.

He expressed his hope that Wuhan will strengthen the development of its basic, tertiary, and new and high-technology industries.

Speaking of the organizational restructuring of enterprises, he suggested that comrades in Wuhan broaden their horizons, give play to the advantage of Hubei's integrated economic system, be brave enough to set the

pace for the new industrial groups of the province, and speed up development of Wuhan's and Hubei's competitive products.

Also in his speech, he said: It is necessary conscientiously to help Wuhan resolve its specific difficulties.

Guan Guangfu made a concluding speech. He fully affirmed the city party committee's achievements and plans for future development.

He emphatically pointed out: Wuhan is the capital of Hubei Province, one of the biggest cities in the country, and the number one city of the Hubei section of the Chang Jiang Economic Belt. The provincial party committee should further understand the great strategic significance in developing Wuhan in light of these three major factors. [passage omitted]

He specially demanded that Wuhan further optimize its soft and hard environments, make energetic efforts to improve the quality and attitude of its services, develop comprehensive and specialized markets, strive to create macro-circulation and a macro-market, and give further play to Wuhan's advantage as the communications hub of nine provinces.

Guan Guangfu also made an emphatic point on further improving the relationship between provincial and Wuhan City authorities. He said: The issues involving Wuhan City should be considered in light of the overall situation and political and strategic interests. It is necessary to further deepen our understanding. Helping Wuhan City become revitalized will activate the development of the whole of Hubei to a great extent. All circles and departments should share this understanding and show their generosity and sportsmanship. Once this is done, concrete problems will be easy to handle.

Finally, Guan Guangfu unequivocally answered five questions concerning the creation of conditions for Wuhan City. He expressed the hope that the provincial party committee and government, as well as all provincial departments, will put their efforts together and implement these measures well and soundly in a timely and conscientious manner. [passage omitted]

Xiong Qingquan Visits Jishou University

HK1902080092 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 16 Feb 92

[Text] Yesterday morning, accompanied by party and government leaders of Xiangxi Tujia-Miao Autonomous Prefecture, provincial party committee Secretary Xiong Qingquan and Deputy Secretary Yang Zhengwu as well as Deng Youzhi, provincial Chinese People's Political Consultative Conference committee vice chairman, arrived at Jishou University where they called on and extended, on behalf of the provincial party committee, Lunar New Year greetings to teachers and staff members busy preparing for the new semester work.

Xiong Qingquan, Yang Zhengwu, and other leaders also visited in high spirits the construction site of the new campus of Jishou University as well as the Animal and Plant Specimen Room of the Biology Department and the Nationality Music Department of Jishou University where they held cordial talks with the university teachers and staff members. The provincial leaders expressed satisfaction over Jishou University's in-depth education reform, cooperation with various counties in academic management, and contributions to the economic development of various ethnic minority areas as well as social development of Xiangxi.

Secretary Xiong pointed out: Education is the foundation for Hunan's development through science and technology. All higher learning institutions must orient their work to economic construction, make full use of their own superiorities in science, technology, and qualified personnel, carry out scientific research, and tackle thorny scientific and technological problems.

Xiong emphatically stated: Now that the central authorities have formulated the general principles and policies and the provincial party committee has set forth specific goals for uniting closely and making concerted efforts to bring about a comfortably well-off life, all scientific, technological, and education departments must vigorously integrate agriculture, science, and education, carry out vocational and technical training, and train more qualified personnel capable of applying science and technology to Hunan's development.

Southwest Region

Liu Zhengwei Presides Over New Year Celebration

HK1702042892 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 1 Feb 92

[Text] Yesterday morning, spring was very much in the air in the provincial party committee auditorium, in which the Guizhou Provincial CPC Committee and the Guizhou Provincial People's Government were jointly holding a grand Lunar New Year get-together.

More than 1,000 people, including principal provincial party, government, and military leading comrades as well as a number of retired, resigned, or incumbent cadres at and above provincial department deputy director level, attended the Lunar New Year get-together at which they happily gathered to celebrate the impending arrival of the Lunar New Year Festival.

The Lunar New Year get-together was presided over by provincial party committee Secretary Liu Zhengwei.

Provincial Governor Wang Chaowen delivered a Lunar New Year speech at the get-together.

On behalf of the Guizhou Provincial CPC Committee and the Guizhou Provincial People's Government, Wang Chaowen first and foremost wished a happy Lunar New Year to all the comrades and friends attending the

get-together and extended Lunar New Year greetings to workers, peasants, scientific and technological personnel, people's teachers, and young students, as well as to cadres of all nationalities and at all levels across the province, to the People's Liberation Army officers and soldiers, the Armed Police officers and men, and the public security police officers and men stationed in Guizhou, and also to various democratic parties, people's organizations, and patriotic personages without party affiliation across the province. Wang Chaowen also extended heart-felt thanks to all the comrades who were diligently working at their work posts during the festival as well as to their families.

Wang Chaowen stated in his speech: The year that has just passed was a year in which our province scored phenomenal achievements in economic construction and reform and opening up and concluded the three-year-long rectification and improvement campaign. Over the past year, the people of all nationalities across the province have closely rallied round the party Central Committee with Comrade Jiang Zemin as the core, adhered to the basic line of one center, two basic points, implemented and carried out a series of principles and policies formulated by the party Central Committee and the State Council, forged ahead along the road of building socialism with salient Chinese characteristics, successfully fulfilled all economic and social development plans, and laid a sound basis for comprehensively fulfilling the Eighth Five-Year Plan. Last year, Guizhou reaped a good agricultural harvest, witnessed a steady industrial production growth, maintained social stability, continually improved people's livelihood, and secured a continuous turn for the better in its overall situation.

Wang Chaowen noted: After reviewing achievements scored by people in all walks of life and in all fields across the province, we have become more confident and enthusiastic than ever before. Looking forward to the new year under the leadership of the party Central Committee and the State Council, following a shift to normal economic construction development, we are bound to push further ahead with reform and opening up, grasp each and every opportune moment, create necessary conditions, and accelerate the pace of developing Guizhou and bringing prosperity to the Guizhou people.

Wang Chaowen stressed: In the new year, we must closely follow the important speeches made by General Secretary Jiang Zemin during his recent inspection of Guizhou, unwaveringly and comprehensively implement and carry out the party's basic line, implement and carry out the spirit of the Central Work Meeting, the Eighth Plenary Session of the 13th CPC Central Committee, and the Central Nationalities Affairs Work Meeting, continue to keep a firm grip on three major tasks, namely, economic development, party building, and maintenance of social stability, closely center our work on economic construction, focus our economic work on

structural readjustment and improving efficiency, continue to give top priority to steady agricultural development, especially steady grain production development, make redoubled efforts to develop light and textile industries by producing more famous-brand cigarettes and famous-brand wines, develop the machinery and electronics industries while simultaneously strengthening infrastructural facilities and basic industries building, concentrate on improving large and medium-sized state-run enterprises as well as key enterprises, practically deepen reform and construction in the circulation field, accelerate scientific and technological progress, promote productive forces development, strengthen and improve macroeconomic regulation and control, and strive to bring about both a normal cycle and an appropriate growth of the national economy and ensure coordinated economic and social development.

Wang Chaowen called for embodying the mentality of promoting development, progress, and rejuvenation by virtue of reform in all types of work, successfully carrying out work in all trades and professions in a reform spirit, tackling all sorts of difficulties encountered in economic and social development, and ensuring successful accomplishment of all types of work in the new year.

Wang Chaowen also called for further emancipating minds and working with a new mental attitude and in a creative manner. He noted: By emancipating minds, we mean we must vigorously enhance the concept of reform and opening up, the concept of commodity economy, the concept of science and technology, the concept of efficiency, and the concept of service. In order to emancipate minds, we must proceed from actual reality in doing everything, combine the central spirit with local realities, work in a creative manner, boldly push forward reform and opening up, vigorously develop commodity economy, concentrate efforts on expediting economic construction, and strive to achieve new successes in all kinds of provincial undertakings.

Wang Chaowen on Economic Structural Reform

HK1902041792 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 14 Feb 92

[Text] At a provincial work meeting on economic structural reform and enterprise technological progress, that opened on 13 February, Governor Wang Chaowen pointed out: It is necessary to speed up the pace of structural reform and technical transformation to create a new situation in our province's economic work. He said: The focal point of reform this year lies in changing enterprises' operational mechanisms so that we can push enterprises to market. This is a nucleus of enterprise reform.

Wang Chaowen continued: Economic improvement and rectification over the past three years have created a comparatively relaxed economic environment for further deepening reform. We should lose no time in making a bigger step in reform and opening. Changing

operational mechanisms of enterprises means that we should hold the key point of pushing enterprises to market. Only thus can we have the initiative of work in hand. Once we have accurately selected a target, we should direct toward it boldly. We should never hesitate to act, or be indecisive. Only in so doing can we truly speed up the pace of reform.

While talking about enterprise technological progress, Wang Chaowen stressed: It is necessary for us to firmly establish the idea that science and technology are the primary productive forces. We should resolutely implement the guiding principle that economic construction must rely on scientific and technological progress and that scientific and technological progress must cater to the needs of economic construction. In recent years, our province has made fairly great achievements in the work of enterprise technological reform. The level of equipment and facilities of our industrial enterprises and our capability to develop new products have been considerably higher than 1990 and before. There are still many enterprises, however, which lack the spirit of exploring the way forward and making progress or which ignore market demand. Through deepening reform and changing operational mechanisms, enterprises should conscientiously rely on technological progress to survive and develop themselves. This will enable our province to enhance its economic level as a whole.

Wang Chaowen emphasized: This year, we should increase the weight and speed up the pace of reform. Leading cadres at all levels should conscientiously study theories on economic structural reform and enhance their capability in comprehending and utilizing policies. They should improve their work style, firmly grasp the implementation of policies, strictly avoid empty talk, carry out investigations and studies at grassroots level with specific problems in mind, and follow a down-to-earth manner to solve practical problems.

North Region

Ye Liansong Urges Acceleration of Key Projects

SK1802143292 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 16 Feb 92

[Text] Ye Liansong, executive vice governor of the province, at the provincial conference on the work related to the key capital construction projects to be newly initiated in 1992 held on 16 February, said: Increasing the input in fixed assets of the province is the major guarantee for improving the overall quality of the province's national economy, for further shifting the emphasis of economic construction to readjusting structure and improving efficiency, and for ensuring the fulfillment of the second-step strategic goal.

During the Seventh Five-Year Plan period, the province's average investment rate was on the low side and the input in fixed assets was insufficient, thus seriously

hampering economic development. We must now accelerate the construction of the province's key capital construction projects with an enterprising and realistic spirit.

After making an analysis of the problems in the current capital construction work, Ye Liansong pointed out: To rapidly change the stagnation in the preparatory-phase work for construction of key projects, governments at all levels should from now on concentrate energies on creating conditions for beginning as early as possible the construction of key projects which will begin in 1992. On the other hand, they should make preparatory-phase preparations for the key construction projects which will be planned and prepared to begin in 1993. All localities, departments, and units undertaking the projects must organize competent ranks to specially grasp the preparatory-phase work of the projects. Principal leaders at all levels of all departments should study, coordinate, and solve, in a timely manner, the problems emerging in the preparatory-phase work of the projects and should try every possible means to raise funds from various channels for construction of these projects. The provincial planning and economic commission should strengthen coordination and management and should cooperate with various localities and departments to solve problems and make good preparations for the preparatory-phase work of projects.

Northeast Region

Heilongjiang Holds Propaganda Directors' Meetings

SK1902134092 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 18 Feb 92

[Text] The propaganda department of the provincial party committee held meetings of directors of city and prefectural propaganda departments in Harbin, Qiqihar, and Jiamusi Cities on 12, 14, and 15 February, respectively, to discuss ways to implement the guidelines of the national conference of propaganda directors. The participants concentrated on the study of the speeches of Comrades Li Ruihuan and Wang Renzhi to understand their guidelines and reviewed Heilongjiang's propaganda and ideological work, thus further formulating the various propaganda tasks for this year.

Shan Rongfan, Standing Committee member and director of the propaganda department of the provincial party committee, and Yu Shulin, deputy director of the propaganda department of the provincial party committee, chaired the meetings. The participants held: In conducting conscientious study to understand the guidelines of Comrade Li Ruihuan's speech, we should particularly have a good grasp of the following basic points.

First, we should comprehensively analyze the situation and concentrate efforts on promoting the work of our country.

Second, we should accurately pinpoint the priorities of propaganda work, persistently take economic construction as the central task, and amplify the publicity of reform and opening up. We should attach importance to the education on the four cardinal principles and enhance the faith in socialism.

Third, further unifying people's thinking is the key to a success in the work of various fields under the current circumstances.

Fourth, we should comprehensively and accurately implement the party's basic line consisting of one central task and two basic points. We should achieve unity in both thinking and action in doing this work.

Fifth, the theory and line of building socialism with Chinese characteristics are being continuously improved. We should make unremitting efforts to succeed in the publicity of the theory and line.

Sixth, the principle of unity, stability, and encouragement is in conformity with the party's basic line and is vindicated by practice. We should implement it persistently.

Seventh, implementation of the principle of unity, stability, and encouragement puts forward a still higher demand on propaganda and ideological work. We should strive to have conscientious work styles and perform our work in a down-to-earth manner.

The participants emphasized: Based on Comrade Li Ruihuan's speech, the guidelines of the national conference of propaganda directors, and the specific conditions of Heilongjiang, we should make meticulous organization for the reform and opening up of large- and medium-sized state enterprises, achieve success in agriculture and rural work, conduct the socialist ideological education and the discussion on the endeavor of achieving a fairly comfortable life, and succeed in publicizing that science and technology are the primary productive forces. We should further intensify the education and propaganda on the theory and line of building socialism with Chinese characteristics and use this to lead other education. We should exert efforts to organize well the education and propaganda to mark the 50th anniversary of the issuance of the speech given by Comrade Mao Zedong at the Yanan literary and art forum and strive for a new situation in propaganda work.

Heilongjiang's 1991 Revenues, Expenses Reported

SK1902082792 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 18 Feb 92

[Summary] Heilongjiang's 1991 revenues totaled 7.81 billion yuan, up 1.7 percent from the preceding year when calculated in terms of comparable standards, and its expenditures totaled 9.53 billion yuan, up 4.2 percent. It issued 544 million yuan worth of treasury bonds and special state securities in the year, exceeding the state-assigned quota.

To implement the principle of developing Heilongjiang through the application of science and technology, the provincial financial department increased its investment in scientific and technological undertakings. Heilongjiang's total expenditures on scientific and technological undertakings came to 110 million yuan in 1991.

Heilongjiang Supervisory Work Conference Ends

SK1602144592 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 14 Feb 92

[Text] On 14 February at the provincial supervisory work conference, Chen Yunlin, Standing Committee member of the provincial party committee and vice governor of the provincial government, urged that supervisory organs at various levels carry out their work closely in line with the central work of the party and the government and act as good advisers and assistants to the government in improving administrative honesty.

Chen Yunlin said: The party's and government's central work is to try all possible means to promote economic construction. Proceeding from the current economic work priorities, the supervisory departments should attend to two great issues at least in serving economic construction. The first is that they should serve state-owned large and medium-sized enterprises, and the second is that they should serve the enhancement of agriculture and rural work. To serve large- and medium-sized enterprises, we should accurately handle the relationship between supervision and service, between [words indistinct], and between procuratorial organs and enterprises. At present, the supervisory organs should focus their efforts on helping responsible persons in enterprises conscientiously implement the series of policies and measures for improving large- and medium-sized enterprises formulated by the central authorities and the province, and ensure that enterprises develop soundly and along an accurate orientation. To serve agriculture and the rural areas, the supervisory departments should concentrate efforts on solving problems in three aspects. First, they should strengthen supervision over cadres at the county and township levels, particularly leading cadres; promote the improvement of administrative honesty; and improve work style. Second, they should supervise whether the rural areas arbitrarily collect funds, impose fines, and apportion expenses; they should realistically help the peasants eliminate various unreasonable burdens and should protect the peasants' enthusiasm. Third, they should strengthen supervision over the implementation of the series of policies on supporting agricultural development formulated by the party and the government so as to ensure the implementation of the party's and government's policies on giving priority to agricultural development and on making the people wealthy and to fully mobilize the peasants' enthusiasm for developing production.

As for how to support the government in improving administrative honesty, Chen Yunlin said: Besides handling some corrosive problems, supervisory departments

at various levels should strengthen education among cadres on guarding against corruption and advocating administrative honesty.

At the conference, the provincial supervisory department commended the administrative, supervisory, and report centers of the cities of Harbin, Qiqihar, Jiamusi, Jixi, Shuangyashan, and Daqing.

Heilongjiang To Publish More Political Books

SK1802131392 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 16 Feb 92

[Text] In the publication work for this year, the province will follow the principle of adjusting structure, reducing categories, optimizing selected topics, and improving quality to emphatically expand the republication of good books and increase the subscription of books.

A responsible person of the provincial press and publication bureau recently told this reporter: Newly published books will be reduced by about 10 percent this year as compared with those of last year and their categories will be kept under 1,800. Books of mediocre quality and duplicated categories will be reduced. The proportion of books on political and ideological theories and those serving economic construction and scientific and technological development will be increased. More than 30 percent of good books will be republished or revised and published. In the publication of books, the publication of Marxist and Leninist works will be put in the first place and the proportion of the books on philosophy, social sciences, and natural sciences and those published by the province will be increased. We should strengthen the work at the grass-roots levels and make sure that the categories of the books in county-level bookstores are more than 3,000. One rural book distributor will be assigned for every 100,000 people.

Jilin Official on Improving Market Circulation

SK1602153992 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 15 Feb 92

[Excerpt] Wu Yixia, Standing Committee member of the provincial party committee and vice governor of the provincial government, addressed the provincial meeting of supply and marketing cooperative directors that just concluded. He stressed: Supply and marketing cooperatives, as main channels for enlivening the circulation of farm products, should actually help the peasants solve purchasing and marketing problems, upgrade their socialized service level, and promote the overall development of the rural commodity economy. After the reform and opening work started, the output of various farm and sideline products continued to increase [words indistinct]. Now, problems of stagnant circulation are still prominent, and purchasing and marketing problems seriously affect the development of the commodity economy in the rural areas. The agricultural departments in the province are failing to consume some farm and sideline products. Therefore, it is urgently necessary to

seek markets beyond the province, to send our products to the international market, and to turn our province's product advantages into commodity advantages. Supply and marketing cooperatives, as cooperative commercial enterprises collectively owned by the peasants and distributed in various rural areas of the province, should play a key role in enlivening circulation and developing the rural commodity economy. [passage omitted]

Jilin Province Sets 1992 Financial Priorities

SK1802145792 *Changchun Jilin People's Radio Network in Mandarin 1030 GMT 16 Feb 92*

[Text] At the provincial meeting of bank presidents and insurance company directors that ended on 16 February, Liu Xilin, vice governor of the provincial government, stressed: The 1992 provincial financial work priority is that on the premise of strengthening the readjustment and control of the macroeconomy, the financial front should shift its work priorities on enlivening capital and increasing economic results. By enlivening capital and finance, we should positively support the overall development of agriculture and the further improvement of state-owned large- and medium-sized enterprises and promote the steady development of the economy.

Liu Xilin said: Last year, the financial departments at various levels throughout the province tried every possible means to collect funds and to overcome difficulties. As a result, the strain on capital was alleviated and savings deposits steadily increased. Year-end bank savings reached 31.51 billion yuan, an increase of 1.2 million yuan over the beginning of the year. Of this savings total, deposits from urban areas reached 20.14 billion yuan, an increase of 4.45 billion yuan over the beginning of the year. Various loans were controlled within the planned targets. The loan-granting structure was readjusted. Last year, newly added bank loans reached 12.2 billion yuan, basically equal to the figure of 1990 and currency circulation was basically controlled within the state planned target. The province further made headway in the insurance business. International and domestic insurance business income reached 570 million yuan, an increase of 31 percent over 1990.

In regard to the 1992 financial work situation, Liu Xilin said: The provincial financial situation in 1992 is extremely grim. There are many financial difficulties. The financially strained situation has taken a turn for the worse. Industrial, commercial, and grain enterprises across the province suffered great losses for two years running. The paradox where capital becomes stagnant is still prominent. Thereby, financial departments at various levels should clearly understand the situation, strengthen their sense of urgency, start from readjusting the capital structure, increase deposits, and strive to ensure a favorable cycle from the input of credit funds to the output of credit funds.

Liu Xilin stressed: We should try every possible means to increase deposits, become self-sufficient in capital, and first ensure the supply of funds for key agricultural

development projects and key construction projects of state-owned large and medium-sized enterprises. By readjusting the credit structure, we should promote readjustment of the production structure and the product mix and concentrate the newly added capital on key [words indistinct] projects. Simultaneously, we should conscientiously implement various policies and measures for tapping potential to increase capital and enliven deposits and strive to withdraw one-third of the loans tied up due to the losses of state-owned industrial enterprises, to reduce one-third of the loans tied up by the stockpiling of finished products, and to help enterprises clear up one-third of "debt chains."

Jilin Province's Power Production Rises in 1991

SK1802124292 *Changchun Jilin People's Radio Network in Mandarin 1030 GMT 16 Feb 92*

[Summary] In 1991, Jilin Province set records in electricity production, electricity consumption, and heat supply.

Electricity production reached 19.94 billion kw hours, an increase of 17.3 percent over the planned target and an increase of 14.7 percent over 1990.

The province also accelerated the construction of power projects. The No. 5 generating unit of the (Tongjiang) power plant, the No. 2 generating unit of the second (Changre) power plant, and a generating unit of the (Changchun) thermal power plant, with a power production capacity of 500,000 kw hours in total, went into operation ahead of schedule and have been fed into the grid.

Liaoning To Loosen Control Over State-Run Firms

OW1902073692 *Beijing XINHUA in English 0715 GMT 19 Feb 92*

[Text] Shenyang, February 19 (XINHUA)—Northeast China's Liaoning Province recently asked concerned departments to loosen control over local state-run firms.

Economists say that although the Enterprise Law adopted in 1988 has ensured the decision-making power of the enterprises, local enterprisers have not yet freed themselves from the control by concerned departments.

A survey shows that the province has not carried out nine out of 13 basic rights endowed to these enterprises according to the law, including those for employment and organizational structure.

The work on implementing the law this year will emphasize ensuring enterprises rights on organizational structure and employment, said Wen Shizhen, vice-governor of the province.

The province stipulated in a recent notice to the concerned departments that local enterprises are now entitled to decide on their own internal structure. They have the right to refuse any stipulation made by concerned departments on organizational structure or employment.

On the other hand, Wen said, the enterprises should learn to use the law to protect their rights.

Northwest Region

Gu Jinchi Delivers International Situation Report

HK1902025292 *Lanzhou Gansu People's Radio Network in Mandarin* 2300 GMT 15 Feb 92

[Text] The provincial party committee held an international situation report meeting yesterday morning.

Provincial party committee Deputy Secretary Lu Kejian presided over the report meeting at which provincial party committee Secretary Gu Jinchi made an international situation report to leading comrades in charge of various organs directly under the provincial authorities as well as persons in charge of various propaganda departments.

Gu Jinchi comprehensively analyzed in his report the current international political, economic, military, and diplomatic situations. Gu pointed out: At present, the international situation is both rigorous and beneficial to our country. This is the second year for implementing the Eighth Five-Year Plan and the 10-Year Program. We must clearly understand the current situation, grasp opportune moments to comprehensively implement and carry out the party's basic line, grasp economic construction as the center, successfully further all types of work, and unswervingly advance along the road of building socialism with salient Chinese characteristics.

Lu Kejian stated: To improve the education situation, the provincial party committee has decided to hold a seasonal situation report meeting from now on, at which provincial party committee and government leaders as well as personalities concerned will report on both the international and domestic situations to leading cadres in charge of various offices directly under the provincial authorities. This should become a system. Party organizations at all levels must attach great importance to situation education while leading cadres at all levels must conscientiously study policies compatible with the latest developments, explain issues of common concern to both cadres and masses in a timely fashion, enhance the confidence of cadres and the masses, work hard to create a favorable political and social environment, and promote economic construction development.

Gu Jinchi, Jia Zhijie on Public Security Work

HK1902080292 *Lanzhou Gansu People's Radio Network in Mandarin* 2300 GMT 17 Feb 92

[Excerpt] Provincial party committee Secretary Gu Jinchi pointed out at the 18th provincial conference on public security, which opened yesterday: Carrying out the party's basic line, maintaining Gansu's political and social stability, and guaranteeing that the socialist modernization construction will proceed without a hitch will

remain the fundamental tasks of public security authorities throughout the province.

In his speech, Gu Jinchi fully reaffirmed the achievements scored by public security authorities throughout the province over the last 10 years. He dwelled on the guiding principle for public security work, improvement of work style, implementation of the party's policies, and the building up of the contingent of public security officers and men, and set related requirements.

Gu Jinchi said: The public security authority as an instrument of the people's democratic dictatorship plays an important role which is irreplaceable. Therefore, public security organs at all levels are expected to play a better functional role in preventing and cracking down on sabotage attempts by varied hostile forces, resisting and foiling the peaceful evolution scheme of international hostile forces, and comprehensively improving social order. At the same time they should improve their work style and administer the public security force strictly to build up a contingent of public security officers and men which suit the needs of the new situation and new tasks.

Governor Jia Zhijie said in his speech: The public security force should adapt themselves to the new situation in four ways: 1) They should adapt their thinking to the new situation. Public security organs at all levels must conscientiously submit themselves to the party and government leadership, bear in mind the heavy responsibilities on their shoulders, and always stand in the forefront of the struggle against the enemy. 2) They should strengthen themselves in line with the needs of the new situation. 3) They should adapt their work to the new situation. They should deal heavy and quick blows to particular criminal activities to maintain the momentum of the campaign for seriously cracking down on criminal activities. 4) They must update their equipment. It is necessary to update the equipment of the public security force, a problem which dies hard, step by step in accordance with priorities. [passage omitted]

Yin Kesheng, Others View Tibetan Dance Troupe

HK1902023692 *Xining Qinghai People's Radio Network in Mandarin* 2300 GMT 15 Feb 92

[Excerpts] At a time when the people of all nationalities were celebrating the traditional Lantern Festival throughout the province, a dance troupe composed of Tibetan actors and actresses arrived in Xining from the Yushu Grassland. [passage omitted]

On 15 February, the dance troupe went to the provincial party committee compound and the provincial government compound respectively and staged Lunar New Year performances there. Yin Kesheng [provincial party committee secretary], Tian Chengping, Sang Jiejia, Tang Zhengren, Doba, La Bingli, and other leading comrades joined cadres from various organs in watching the performances. [passage omitted]

Zhang Boxing Attends Science, Technology Forum

HK1902072092 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 14 Feb 92

[Excerpt] Yesterday morning, Zhang Boxing [provincial party secretary], Bai Qingcai, Li Xipu, Zhou Yaguang, and comrades of the provincial eight major leading groups attended a scientific and technical forum entitled "Science and Technology in the 1990's and China's Modernization" held in a provincial CPC Committee auditorium. This has further pushed forward our province's activities in the propaganda month of the spring of science and technology to a new high. [passage omitted]

Zhang Boxing at Spiritual Civilization Meeting

HK1902023792 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 16 Feb 92

[Excerpt] The four-day provincial spiritual civilization work conference successfully concluded yesterday afternoon.

The conference was mainly aimed at practically stepping up the building of spiritual civilization in cities and towns, spreading spiritual civilization from urban to rural areas, and deepening province-wide spiritual civilization building.

At yesterday afternoon's meeting, Vice Governor Xu Shanlin announced a joint provincial party committee and government decision on commending advanced collectives and individuals excelling in socialist spiritual civilization building in 1991.

Zhang Boxing [provincial party committee secretary], Mou Lingsheng, Zhou Yaguang, Xu Shanlin, Li Huanzheng, Cheng Andong, Wei Mingzhong, and other provincial leaders conferred medals and certificates of merit on advanced collectives and individuals.

Provincial party committee, government, and military district leaders also signed, with 10 prefectures and cities, agreements of responsibility for building socialist spiritual civilization of a mass character in 1992 and signed, with 16 provincial departments and bureaus including the provincial public security and communications departments, agreements of responsibility for advocating a fine work style and eliminating malpractices.

Mou Lingsheng, provincial party committee deputy secretary, made a summing-up speech at the meeting. [passage omitted]

Shaanxi's Bai Qingcai on News, Propaganda Work

HK1902021692 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 15 Feb 92

[Excerpts] Governor Bai Qingcai held talks with principal comrades in charge of various prefectures and cities, prefectural and city party committee propaganda department directors, comrades in charge of various

major provincial and Xian City news units, and comrades from various Shaanxi-based central news units, during which he emphatically stated: All news units must increase propaganda on economic development, reform, and opening up; whip up public opinion favorable to reform; and educate and guide people to understand, support, and actively participate in reform.

After listening to work reports made by SHAANXI RIBAO, the Shaanxi Provincial Radio and Television Department, the Shaanxi Radio Station, the Shaanxi branch of XINHUA NEWS AGENCY, and the Shaanxi Center for RENMIN RIBAO reporters on their coverage of economic development and reform, Comrade Bai Qingcai remarked: Last year, Shaanxi witnessed faster economic development than anticipated. The crux of the matter now is to improve economic efficiency. The 10-year reform has brought the province world-renowned economic successes. Nonetheless, problems still exist. Many in-depth economic problems have yet to be tackled. The provincial economic work must focus on improving economic efficiency. Without improving economic efficiency, improving people's livelihood will be out of the question. At the recent provincial economic work conference, the provincial government forwarded some tentative views on and plans for the province's economic reform work. All the tentative views and plans were by no means without foundation and were advanced only after the authorities concerned had taken account of the realities in Shaanxi's economic work and conducted a great deal of investigations and study and prolonged deliberations as well. Successful resolution of the problems will undoubtedly bring about a fundamental turn for the better in Shaanxi's economy. [passage omitted]

Bai Qingcai noted: The key to a turn for the better in the provincial economic situation lies in improving economic efficiency, whereas the key to improving economic efficiency lies in reform. Reform should aim at mechanism transformation. We must take forceful measures to improve management, promote technological progress, push ahead with product mix readjustment, and seek better efficiency from improved management. [passage omitted]

Bai Qingcai stated: The staff and workers of a socialist enterprise are the masters of that enterprise. Without burning enthusiasm on the part of the staff and workers, nothing could be accomplished. However, to arouse the enthusiasm of the staff and workers, we must resolutely abolish the iron rice bowl practice and implement the principle of distribution according to work and the principle of more pay for more work. We must also step up the building of spiritual civilization and educate the staff and workers to faithfully perform their jobs and accomplish what is expected of an enterprise master. Because reform is of concern to tens of thousands of households, various trades and professions, as well as the readjustment of power and interests, we must educate the broad masses of the people to understand, support,

and participate in reform. We must do more propaganda work with an eye to whipping up a favorable public opinion. [passage omitted]

Governor Bai concluded: All news units must closely cooperate with one another; successfully carry out propaganda on economic development, reform, and opening up; deepen propaganda in this regard; and accurately reflect economic development trends in a timely fashion in order to encourage people and boost people's confidence.

Shaanxi Seen To Benefit From Scientific Farming

*OW1402225592 Beijing XINHUA in English
1542 GMT 14 Feb 92*

[Text] Xian, February 14 (XINHUA)—Pilot bases and centers of scientific farming in northwestern China's Shaanxi Province have helped double both local gross agricultural product and the local farmers' per capita net income in the past decade.

The 22 bases and 2,700 centers under the bases were set up after the beginning of the country's Seventh Five-Year Plan period (1986-90) to conform with the peasants' increasing enthusiasm for science and technology.

Governments at all levels offered favorable treatments to encourage scientists and technicians to go to help the peasants in the countryside.

A pilot center of scientific farming set up in Heyang County, has more than 80 rooms, including a computer room and laboratories for examining soil and seeds. The center has also 5.3 ha [hectares] of farmland and 3.3 ha of orchards for experiment.

Thanks to the help of the pilot center, the local gross agricultural production value has increased by 7.6 times and the farmers' per capita income by ten times in the past ten years.

According to the provincial government, during the country's Seventh Five-Year Plan period, the 22 pilot bases made over 90 research results and popularized more than 600 advanced farming techniques.

In the coming decade, said Xu Shanlin, deputy governor of the province, the province will set up eight more pilot bases of scientific farming to explore a way for comprehensive development of agriculture in different areas.

Oil Exploration Boosts Xinjiang Ethnic Economy

*OW1902075292 Beijing XINHUA in English
0735 GMT 19 Feb 92*

[Text] Urumqi, February 19 (XINHUA)—Large-scale oil exploration in northwestern China's Xinjiang Uygur Autonomous Region is boosting local economy as increasing capital and oil workers are pouring into the remote area.

Following some 20 billion tons of forecast oil deposit have been discovered in the three basins of Xinjiang in recent years, China is transferring its oil development strategy from the eastern coastal areas to the western inland.

Most equipment and means of production needed in the oil exploration now are produced by local factories. As a result, many enterprises which were slack in business or even nearly collapsed in the past have restored their lives.

The exploration areas in the Tarim basin alone needs more than one million tons of materials yearly, which should be transported by 1,200 trucks everyday.

Local enterprises engaging in architecture, transportation, commodity and social services around the oil fields lost no chances to expand their business.

Seven companies concerned with machinery, food, materials, transportation and living services were established in the Bainguole Mongolian Autonomous Prefecture in the Tarim basin.

In 1991, local factories have produced materials worth of 10 million yuan for the oil industry while local commercial departments supplied materials worth more than 100 million yuan to the oil exploration and development companies.

Meanwhile, 2,000 underemployed people found their jobs in the service teams across the oil exploration areas.

In Shanshan county where the headquarters of the Turpan-Hami basin oil campaign are located, private hotels and restaurants as well as rural enterprises were prospering.

Many other local enterprises have also benefited a lot from the oil exploration. According to statistics, the local enterprises of all kinds have earned 700 million yuan from the oil exploration headquarters in Tarim over the past years, which is about 23 percent of the total investment in the oil exploration.

Favorable Policies To 'Lure' Taiwan Investment

*HK1902062792 Beijing CHINA DAILY in English
19 Feb 92 p 2*

[By staff reporter: "Beijing Seeking Taiwan Funds"]

[Text] Beijing is creating additional favourable policies this year to lure Taiwanese investment, which experienced an upturn last year.

Chen Bingfa, director of the Municipal Office of Taiwan Affairs, told CHINA DAILY yesterday that "extremely favourable" treatment will be given this year in order to spur Taiwanese investors to help revamp the city's outdated medium- and small-sized enterprises.

Zhang Jianxin, a vice-mayor, has orchestrated a high-powered panel to oversee the implementation of the policies, Chen said.

Beijing is also awaiting positive responses from Taiwan business people to help push forward three newly developed economic zones, located in Daxing, Fengtai and Changping counties.

More projects seeking Taiwanese investment in these zones, as well as preferential treatment, will be publicized soon, said Zhang Hailin, another official with the city's Taiwan affairs office.

The city's Association of Taiwan-funded Enterprises, founded in 1990, has asked the municipal government to charge Taiwanese investors lower fees when it comes to using land and the courts and other municipal services.

So far, more than 40 Taiwanese enterprises have joined the organization, and 100 more are expected to be admitted this year, said Wang Shen, an official of the organization.

Municipal trade officials expected to attract 150 more Taiwan-funded ventures this year.

"Unlike other overseas investors, we encourage Taiwanese investors at all levels to inject money into the city, regardless of the amount of investment involved," Chen said.

But he made it clear that Beijing prohibits the influx of Taiwanese investment that would cause heavy pollution.

Last year, 110 Taiwan-financed ventures opened in the city, making a total of 213, with the promised Taiwanese investment of \$400 million, said Zhang Ping from the municipal Taiwan Affairs Office.

More Taiwanese kingpins are investing in the mainland, with the largest single investment from a Taiwanese business last year amounting to \$6 million.

'South China Economic Survey Group' Visits Fujian**Delegates Primarily 'Entrepreneurs'**

OW1802021292 Beijing XINHUA Domestic Service in Chinese 0408 GMT 17 Feb 92

[Text] Taiwan Province's 'South China Economic Survey Group' Visits Fujian by correspondent Zhang Jingwei (1728 4842 4885)]

[Text] Xiamen, 17 February (XINHUA)—A 29-member "South China Economic Survey Group" from Taiwan Province led by Lin Cheng-chieh, chairman of the board of the Foundation for Relations Across the Taiwan Strait; Lu Hsueh-hai, executive director of the Culture and Education Foundation of the Taiwan University of Social Sciences; Chang Ta-wei, president of the Taiwan Chung Hwa Credit Investigation Institute; and other Taiwan notables, began a five-day survey in Fujian on 10 February.

The survey group is comprised mainly of Taiwan's young entrepreneurs. They surveyed key investment environments in the coastal cities of Fuzhou, Putian, Quanzhou and Xiamen, which are open to the outside world, and discussed matters concerning scientific and technological cooperation between Fujian and Taiwan during their visit to Fujian this time. During the period of their stay in Fujian, the survey group visited the Mawei Economic and Technical Development Zone in Fuzhou, the Provincial Academy of Agricultural Sciences, and the Fujian Institute of Material Structure of the Chinese Academy of Sciences as well as a number of enterprises with investments by Taiwan businessmen in Xiamen and Putian. They held forums with prominent scientists, technologists and entrepreneurs in Fujian Province and discussed the purpose of cooperation.

Cultural Seminar Opens in Xiamen

*OW1902094592 Beijing XINHUA in English
0856 GMT 19 Feb 92*

[Text] Xiamen, February 19 (XINHUA)—Nearly 100 people from China's Mainland and Taiwan attended the Fujian-Taiwan cultural seminar which opened here yesterday.

Representatives from Taiwan, Beijing, Tianjin and the mainland provinces of Henan, Jiangsu, and Fujian, presented more than 50 research papers at the seminar.

Since 1987, Fujian and Taiwan have begun exchanges in the fields of traditional operas, folkways, language, medicines, wushu (martial arts), calligraphy, and painting.

The seminar was sponsored by the Association for Chinese Yan and Huang Culture, and Fujian Provincial Association for Chinese Yan and Huang Culture.

Commentary on Direct Shipping Links With Taiwan

OW1502224392 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 14 Feb 92

[Commentary by unidentified station editor: "Only an Easterly Wind Is Needed To Open Direct Shipping Services Between Fujian and Taiwan"; from the "News and Current Events" program]

[Text] Geographically speaking, Fujian and Taiwan are in a very advantageous position to open direct shipping services. Authorities on both sides of the Taiwan Strait have readied relevant measures and conditions are ripe for initiating actual shipping services. If not for the absence of an easterly wind [a figurative expression dating back to the Three Kingdom Period, meaning a plan is in order and ready to go], everything is ready for a ship to sail directly between Fujian and Taiwan. Direct shipping services can be initiated if only the Taiwan authorities remove various man-made barriers and legalize so-called illegal shipping links.

Fujian and Taiwan conduct frequent exchanges in various fields. Last year, more than 260,000 compatriots from Taiwan came to Fujian to visit relatives, make sightseeing and fact-finding trips, and conduct various exchanges. The number of investment projects launched by Taiwan businessmen in Fujian continued to grow, as did the amount of investment capital. In 1990, over 300 new joint ventures were launched, and contracts worth more than \$300 million were signed. By the end of 1991, 1,167 Taiwan-funded projects with a total investment of some \$1.5 billion were launched throughout the province. Last year, the volume of mail sent to Taiwan from Fujian increased by 30 percent over 1990, and that of mail moving in the opposite direction grew by 15 percent. In 1991, Fujian launched 91 programs to promote exchanges across the Taiwan Strait and more than 730 people participated in those programs.

Naturally, the hope for direct cross-strait shipping services intensifies as people-to-people contacts increase between Fujian and Taiwan—two places separated only by a narrow strait. People on both sides hope that Xiamen and Jinmen will open their doors to each other. They hope that the two places will be linked by a microwave project or an underwater fiber optic cable, and that for their convenience packet ships will be allowed to deliver mail across the Taiwan Strait before the microwave or fiber optic project can be launched.

The establishment of three types of direct links across the Taiwan Strait is key to promoting exchanges between Fujian and Taiwan and to fueling development in both places. This is particularly true with direct shipping services. Seaports on the two sides are separated only by a short distance. A voyage to Hong Kong or Japan is four or five times longer than that distance. This will not only increase costs but will also lengthen the time for transporting passengers or cargo. It is unfavorable to exchanges between people on the two sides. Last August, people from all walks of life in Taiwan strongly urged the authorities to open direct shipping services to facilitate relief operations to help flood victims. They called for shipping relief supplies directly from Taiwan to Xiamen and Shanghai. This would not only have saved time and shipping costs but would have truly reflected the real purpose of the relief operations.

Inaugurating direct shipping services, especially ocean liner services, is only a matter of time. Early direct services are preferable to belated indirect services. Shipping services via Hong Kong will become direct if they are postponed until 1997. It is hoped that the Taiwan authorities will adjust to the prevailing situation and heed popular aspirations by taking the initiative in eliminating man-made barriers at an early date so that people on both sides of the Taiwan Strait can realize their fond hopes for opening three types of links and four types of exchanges at an early date.

Foreign Trade Board To Help Tap CIS Markets

OW1902083392 Taipei CNA in English 0806 GMT
19 Feb 92

[Text] Taipei, Feb. 19 (CNA)—The Board of Foreign Trade [BOFT] is trying to help domestic entrepreneurs develop business relations with the Commonwealth of Independent States [Commonwealth of Independent States], BOFT Deputy Director General Hsu Chaur-lin said Tuesday.

Addressing a seminar on how to improve trade relations with the former Soviet Union, Hsu said the BOFT will try to establish more trade offices in CIS countries. The semi-official China External Trade Development Council has already set up an office in the Russian Republic.

The BOFT will also try to collect up-to-date CIS trade and marketing information for domestic businessmen, he said.

Taiwan companies will take part in two trade fairs in Moscow and invite their CIS counterparts to participate in a large-scale trade fair in Taipei this year, he said.

A trade mission will visit CIS countries in May to explore trade opportunities under the auspice of the Taipei Export-Import Association, he added.

Kyrgyzstan Seeks 'Substantive' Relations

OW1802143892 Taipei CNA in English 1425 GMT
18 Feb 92

[Text] Singapore, Feb. 18 (CNA)—Kyrgyzstan is seeking to establish substantive relations with the Republic of China on Taiwan, Mikhail I. Paryshkura, minister of foreign economic relations of the former Soviet Republic, said here Tuesday. [title as received]

"The Republic of Kyrgyzstan is now opening door to Taiwan," he said in an interview with CNA.

Paryshkura said that his country, one of the five Central Asian republics of the Commonwealth of Independent States, welcomes investments from the Republic of China.

Kyrgyzstan, with an area of 200,000 square kilometers and a population of 4.5 million, is an agricultural state rich in wool, silk and other farm products as well as some mineral resources such as tin and marbles.

He said his government is seeking to establish joint venture relations with Taiwan enterprises for processing and marketing overseas such Kyrgyz farm products as wool, which is of the best quality in the world.

To encourage foreign investments, the Kyrgyz parliament has recently adopted new laws that offer 15-year tax-free preferential treatments for foreign investors, in addition to allowing 100 percent remittance overseas of their earnings, the minister said.

Paryshkura, who is here to woo local investments, said that if possible, he would like to visit Taipei in the near future to promote substantive relations with the Republic of China.

Ministry Announces Medical Aid to Ukraine

OW1802090592 Taipei CNA in English 0813 GMT
18 Feb 92

[Text] Taipei, Feb. 18 (CNA)—The government will send 15 million US dlrs worth of medical supplies to aid Ukraine before the end of March, the Ministry of Foreign Affairs announced Monday.

Vice Foreign Minister Chang Hsiao-yen who recently toured four republics of the former Soviet Union, chaired a meeting of officials from several government agencies.

Participants in the meeting decided to offer medical supplies to the second largest republic of the Commonwealth of Independent States (CIS).

Ukrainian officials told Chang in late January that medicines which reduce inflammation and cure diabetes would be most useful, Chang said.

China Airlines (CAL), the Republic of China's [ROC] national flag carrier, said it will be pleased to fly the medical products to Ukraine if the Foreign Ministry can solve aviation and landing rights problems with Ukraine.

If the CAL mission is realized, it will be the first time since 1949 that an ROC flag carrier has been allowed to land in the territory of the now defunct Soviet Union.

The government had earlier promised to ship 100,000 tons of rice to Russia as part of its efforts to aid CIS nations.

Japanese Parliamentarians Meet President Li

OW1502095392 Taipei CNA in English 0853 GMT
15 Feb 92

[Text] Taipei, Feb. 15 (CNA)—A three-member Japanese parliamentary group, led by Hiroshi Mitsuzuka, met with President Li Teng-hui and Premier Hao Po-tsun Friday to exchange views on Sino-Japanese relations.

Mitsuzuka and his party arrived in Taipei Friday for a one-day visit.

Economic Affairs Minister To Visit Argentina

OW1502175692 Taipei CNA in English 1504 GMT
15 Feb 92

[Text] Buenos Aires, Feb. 15 (CNA)—A 35-member trade delegation from the Republic of China [ROC], led by Economic Affairs Minister Hsiao Wan-chang, will arrive in Argentina Sunday for a two-day visit. Hsiao will

be the first ROC ministerial-level official to visit Argentina in 21 years since the two countries suspended their diplomatic relations in 1972.

Other members of the delegation include officials from the Ministry of Foreign Affairs, the semi-official China External Trade Development Council and the Banking Association of the Republic of China. While here, members of the delegation will meet with their Argentine counterparts to discuss ways to strengthen economic and trade ties between the two countries. The mission will leave Monday for home.

Chilean Party Leader Plans 5-Day Visit

OW1702162592 Taipei CNA in English 1529 GMT
17 Feb 92

[Text] Taipei, Feb. 17 (CNA)—Carlos Gonzalez Marquez, president of Chile's Radical Party, will arrive in Taipei Tuesday for a five-day visit. During his stay in the Republic of China, Gonzalez will meet with President Li Teng-hui, Legislative Yuan Speaker Liu Sung-fan, Vice Foreign Minister Chang Hsiao-yen and other government officials. He will depart on Feb. 22.

De Klerk Meets Labor Official, Praises Ties

OW1302131092 Taipei Voice of Free China
in English 0200 GMT 13 Feb 92

[From the "News and Commentary" program]

[Text] South African President F. W. De Klerk said Tuesday that the good relationship between the Republic of China (ROC) and South Africa should extend, deepen, and improve in the years to come.

President De Klerk made the remark when receiving Chao Shou-po, chairman of the ROC Council of Labor Affairs, at his office in Cape Town.

The president told the ROC guest that the ROC and South Africa had over long period of time a very strong bond of friendship. He also expressed his belief that this bond of friendship will manifest itself now and in the future on the basis of the ever-expanding and strengthening relationship, and more business and trade is being done between the two countries.

Shanghai Central To Reform; Deng on Zhao

OW1402111092 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
13 Feb 92

[From the "National News Hookup" program]

[Text] Since the beginning of this year, all Shanghai newspapers have been immersed in an outcry for reform, unanimously singing a tune of intensifying the momentum of reform and opening to the outside world. The outcry was voiced in such unison and so steadily that no murmur of discord could be heard. Moreover,

Chen Yun, one of the top Communist Chinese leaders, was absent during the Spring Festival; this is regarded by some sensitive observers as an unusual sign.

Meanwhile, many signs indicate that the focus of the mainland's current economic reform has been shifted to Shanghai. A Shanghai official, requesting anonymity, said: This is normal. When Chao Tzu-yang [Zhao Ziyang] was the general secretary, the focus of reform was in Kwangtung [Guangdong]. Now that Chiang Tzemin [Jiang Zemin] is the general secretary and Chu Jung-chi [Zhu Rongji] has also joined the central decisionmaking circle, Shanghai should of course become the center of reform. Shanghai was already the most advanced area of the country and delivered the most revenues to the state. The official also noted: Communist Chinese President Yang Shangkun has spent the Spring Festival in Shanghai three years in a row. He emphasized recently that Shanghai is the strongest area in science and technology and talented personnel, thereby revealing the great importance he attaches to Shanghai. Teng Hsiao-ping [Deng Xiaoping] also spent the Spring Festival in Shanghai three years running. This further explains Shanghai's central role in reform and opening to the outside world.

An authoritative Communist Chinese source has disclosed that while in Shanghai during the Spring Festival, Teng Hsiao-ping made an important instruction on the question of Chao Tzu-yang, affirming his contributions to economic construction and the modernization drive and urging people not to talk about charges that Chao Tzu-yang's attempted to split the party and support the counterrevolutionary rebellion. The source also confirmed that Pao Tung [Bao Tong], Chao's confidant, was indeed arrested in mid-January.

Power Company Permitted To Buy Mainland Coal

OW1502092292 Taipei CNA in English 0857 GMT
15 Feb 92

[Text] Taipei, Feb. 15 (CNA)—The state-run Taiwan Power Company has won the approval of the Mainland Affairs Council to buy Mainland Chinese coal from the spot market, a Taipower official said Friday.

To meet its growing need for coal, Taipower has begun to make purchases from the spot market by open tender. Mainland China was excluded before from the list of sources of supply, because the government has long prohibited state-run enterprises from buying Mainland Chinese commodities.

In a letter Taipower received Friday, the MAC allowed it to buy coal from Mainland China on the spot market, the official said.

The Taipower needs to buy 10 million tons of coal this year for thermo-power generation, 10 to 30 percent of which will be purchased from the spot market.

Defense Report Sees Mainland as Serious 'Menace'

*OW1802100892 Taipei CNA in English 0751 GMT
18 Feb 92*

[Text] Taipei, Feb. 18 (CNA)—The military threat from Mainland China constitutes the most serious and direct menace to the safety of Taiwan, the Ministry of National Defense (MND) said in a report released Monday.

In the unprecedented defense white paper, the MND said Communist China could be provoked into attacking Taiwan if it proclaimed itself independent.

In the second chapter of the report on national defense policy, the MND said Taiwan is facing four threats to its survival: a military invasion by Communist China, the advocacy of territorial separation, social unrest, and regional conflicts.

Of the four, the threat of invasion from the Chinese Mainland is the most serious and direct, the MND said.

It is therefore the most important responsibility of the MND to deal with such threats so as to ensure national security, the report said.

The MND pointed out that Communist China has neither abandoned its attempt to take over Taiwan nor renounced the use of military force against it.

In recent years, the Chinese Communists have strengthened its united front tactics against Taiwan, the MND said.

On the one hand, they are trying to erode Taiwan's vigilance by offering its "one country, two systems" formula for national unification, calling for talks between the ruling parties of the two sides, inducing Taiwan investors to the mainland, and urging direct mail, trade, and shipment between Taiwan and the mainland.

On the other hand, the Chinese Communists are trying to isolate Taiwan in the international community. They refuse to recognize Taiwan as a political entity, and study different ways to take over Taiwan by military force, the MND said.

Peking has taken nonmilitary actions against Taiwan for a long time in order to create conditions favorable to the future use of military force against it.

The report said that the capabilities of Communist Chinese armed forces are growing, and that the decline of tension along the Sino-Russian and Sino-Vietnamese borders has contributed to Peking's ability to attack Taiwan by force.

Peking leaders have not taken military actions against Taiwan because the risk and cost involved are still too high and because the current political situation is not in their favor.

The report said Peking will not tolerate Taiwan independence. The advocacy of independence will only cause social unrest, reduce Taiwan's defense capability, and thus invite Communist Chinese invasion.

Even Deng Xiaoping's health condition may bring danger to Taiwan, because the octogenarian Peking leader wishes to unify China before his death, it added.

Defense Minister Chen Li-an said the MND will issue a defense white paper in every two years because it is very important to inform the general public of the current national defense situation.

Defense Budget Accounts for 5.39 Percent of GNP

*OW1802090492 Taipei CNA in English 0742 GMT
18 Feb 92*

[Text] Taipei, Feb. 18 (CNA)—The defense budget for fiscal 1992 accounts for 27.74 percent of the government's total budget or 5.39 percent of the country's gross national product (GNP), the Ministry of National Defense reported.

In its first defense "White Paper," which was released Monday, the ministry said the 272.1 billion NT dlrs (10.9 billion US dlrs) outlay was down 4.07 percent from the previous fiscal year in terms of total budget and down 0.21 percent in terms of GNP.

As Taiwan is still threatened by Peking, the report said, the government must consider both national security and economic development as well as social welfare when setting its defense budget.

In addition to meeting current strategic needs, the budget must also contribute to the future development of the nation's defense industry so as to maintain its defense capabilities, the report added.

Opposition Legislator Chen Shui-pien, who has been critical of the government's defense policy, was positive about the report but said it had come "too late."

The nation has 23.5 persons under arms per 1,000 population, the fourth highest ratio in the world, although its total 485,000 troops ranked 12th in the world.

Chen Chang-wen To Resign From SEF Post

*OW1502012992 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
13 Feb 92*

[From the "National News Hookup" program]

[Text] According to a LIEN HO PAO report, next Friday's meeting of the board of directors and board of supervisors of the Foundation for Exchanges Across Taiwan Strait [SEF] will formally discuss a request made by Chen Chang-wen, vice chairman of the board of directors and secretary general of SEF, to resign from the secretary general post. Since the members of the two

boards have already reached a consensus, it is almost certain that his request will be approved. If the request is approved, SEF Deputy Secretary General Chen Jung-chieh will be promoted to secretary general, and Chen Chang-wen will serve only as the vice chairman of the board of directors.

It is reported that Chen Chang-wen wanted to resign earlier from the concurrent post because of his disputes with some members of the Legislative Yuan, and now his major motive is to make his duties match his counterpart in the Chinese Communists' Association for Relations Across the Taiwan Strait.

Before the Association for Relations Across the Taiwan Strait was founded, there was a tacit understanding between the two sides on counterpart dialogue between Chen Chang-wen and Tang Shu-pei [Tang Shubei], former deputy director of the State Council's Taiwan Affairs Office; and between Chen Jung-chieh and Chou Che-kai [Zhou Zhekai], chief of the General Affairs Bureau of the Taiwan Affairs Office. However, since the Chinese Communists set up the Association for Relations Across the Taiwan Strait, Tang Shu-pei has become vice chairman of the Association and Chou Che-kai has become vice chairman and concurrently secretary general of the Association. It is obvious that the earlier tacit understanding on counterparts no longer stands.

Chen Chang-wen tendered his resignation at a meeting of the board of directors and the board of supervisors in August 1991, but Ku Cheng-fu, chairman of the board of directors, did not put forward an extempore motion to discuss his resignation. Therefore, the members of the two boards persuaded Chen to stay on in the concurrent post. The November meeting of the two boards did not discuss his resignation request either, while he was in Peking [Beijing] as head of a delegation discussing joint efforts by the two sides to prevent crimes.

It is reported that Chen Chang-wen remains determined to resign from the concurrent post, and next Friday's meeting of the board of directors and the board of supervisions is expected to decide on his request. If his request is approved, he will remain a member and vice chairman of the board of directors of SEF. He also currently serves as a legal consultant to several government departments, the secretary general of the Red Cross Society, and a responsible person of the Lee and Li law firm.

Special Fleet To Patrol Fishery Zones

OW1802092992 Taipei CNA in English 0810 GMT
18 Feb 92

[Text] Taipei, Feb. 18 (CNA)—The Council of Agriculture (COA) plans to organize a special fleet of patrol boats to maintain fishing order in the country's exclusive economic zones and to better protect the safety and interests of Taiwan fishermen, a ranking official announced Monday.

The cabinet-level council held a meeting of department chiefs to prepare a blueprint for the formation of the long-talked-about fleet, the official said.

Under the plan, the council will build three ocean-going patrol ships and two offshore cruisers at a cost of 570 million NT [New Taiwan] dollars. And the fleet after being completed will require an estimated 115 million NT dollars annually for operations and maintenance, the official explained.

Initially, the fleet will intensify patrols in the country's territorial waters, particularly in areas where Taiwan fishing boats often operate.

The fleet will also constantly patrol the open seas in the northern Pacific Ocean where fishery disputes often occur, the official said.

The council has been leasing privately-owned ships to patrol the region since the Republic of China signed a fishery agreement with the United States in 1989. To ensure that local fishermen abide by the Sino-U.S. accord which forbids the use of driftnets and the catching of certain specified fish species, the official noted, the soon-to-be-formed COA fleet will strengthen patrols in the northern Pacific Ocean.

In addition to protecting the rights and interests of local fishermen and to facilitating the rescue of Taiwan fishing boats which encounter difficulties, the fleet will help prevent smuggling and other illegal operations in Taiwan's offshore areas as well as protect fishery resources in the nation's economic zones.

The council will work out a comprehensive system to regulate the operation of the patrol fleet which is expected to be inaugurated within the next two years, the official said.

Hong Kong

Controversy Over Privatizing RTHK Continues

PRC Officials Seek Meeting

HK1902023292 Hong Kong WEN WEI PO in Chinese
18 Feb 92 p 12

[Report: "Zhang Junsheng, Others Say RTHK Independence Issue Must Be Discussed in Joint Liaison Group"]

[Text] Zhang Junsheng, deputy director of the XINHUA Hong Kong branch; Guo Fengmin, chief Chinese representative of the Sino-British Joint Liaison Group (JLG); Luo Jiahuan, JLG member; and Wang Fengchao, head of the State Council Hong Kong and Macao Affairs Office's Second Department, all pointed out yesterday that since making Radio Television Hong Kong [RTHK] independent would affect the transition toward 1997, the Chinese and British sides need to discuss the matter in next month's JLG meeting.

At a Lunar New Year reception hosted by the XINHUA Hong Kong Branch last night, Zhang Junsheng, Guo Fengmin, and Luo Jiahuan were questioned closely by reporters about China's attitude on the issue of hiving off RTHK.

Zhang Junsheng indicated that RTHK is part of the Hong Kong Government and any future arrangements for it would affect the 1997 transition. Therefore, this issue should be discussed by the JLG. Guo Fengmin confirmed that the issue of letting RTHK go independent has been placed on the agenda of a JLG meeting in late March. He pointed out that China would consider this issue in light of a smooth transition for Hong Kong. Luo Jiahuan emphasized that the Chinese side believes that during the transition period, it will be better to retain everything as it is now, or to make the fewest possible changes. He asked: From a political point of view, do you think this move is beneficial to a smooth transition and to the special administrative region [SAR] government? Now the Hong Kong Government has its own media, why should the future SAR government go without one?

When asked about the issue of RTHK's independence during his visit in the territory yesterday, Wang Fengchao said the Chinese side is hoping that the SAR government will have its own broadcast station to publicize its policies. This is beneficial to the stability of Hong Kong. When asked whether or not the Hong Kong Government should consult and discuss with the Chinese side on privatizing some of its departments, Wang Fengchao said: "I think they should."

Decision Said To Rest With Government

HK1902070092 Hong Kong SOUTH CHINA MORNING POST in English 19 Feb 92 p 1

[By staff reporters]

[Text] A decision on the future of Radio Television Hong Kong (RTHK) firmly rests with the Government, not the Sino-British Joint Liaison Group (JLG), the Secretary for Constitutional Affairs, Mr Michael Sze Cho-cheung, said yesterday.

He said that the reaction of RTHK staff rather than comments from the Chinese side were more crucial in steering the plan to corporatise the RTHK.

Mr Sze's remarks came just one day after four Chinese officials had indicated their wish to have a say in the corporatisation of RTHK, which will be discussed at next month's JLG meeting.

They hoped that RTHK would remain part of the administration after 1997 to serve as a mouthpiece of the future Special Administrative Region Government.

However, Mr Sze said yesterday: "It (the corporatisation of RTHK) is not decided by the JLG, but by the relevant departments in Hong Kong.

"The issue will be tabled to the JLG only when it is necessary."

Mr Sze, who represents the Government on the JLG, emphasised that the group was "an organ for liaison but not power".

"It is certainly up to the Government to make the final decision," he said.

He declined to say whether it was the Government's stance to "explain" its decision to hive off RTHK or to "discuss" it with the Chinese side in the next JLG meeting.

A Chinese official said on Monday that any future government plan to privatise its administrative organs should be discussed through diplomatic channels.

Although the Government tried to play down the role of the Chinese side in hiving off RTHK, its programming staff union members were still waiting for replies to letters they sent to both delegations of the JLG earlier this month asking them to clarify their positions on corporatisation.

RTHK Programme Staff Union chairman Mr Tai Keenman said last night the political row over the station's post-1997 status had again overshadowed the needs of the staff.

Meanwhile, Legislative Councillor Miss Emily Lau Wai-hing strongly criticised the suggestion that RTHK should serve as a mouthpiece for the post-1997 government.

A former chairman of the Hong Kong Journalists Association, Miss Lau said such statements were very damaging.

"I think many staff of RTHK are quite terrified because that means they have to work for the propaganda department of the future government," she said.

The purpose of hiving off RTHK was to make it operate more cost-effectively and more efficiently, Miss Lau said.

The journalist-turned-legislator was unhappy that the Chinese officials had talked about the issue publicly.

"The matter is going to be discussed in the JLG meeting next month. It seems now that they can't wait until then."

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